

# DISTRIBUTION AND WAREHOUSING



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## Government Inland Water Agency Not Trying to Make Profits

**Traffic Manager of Tax-Exempt Federal Barge Lines—Which He Concedes Is Doing Business at Less Than Cost While Competing with Tax-Paying Private Enterprise—Tells I. C. C. Examiner that Government is Trying to Revive River Transportation. Southern Railroad and Sugar Interests Support Warehousing's Complaint that Barge Line Methods of Operation Violate Interstate Commerce Act. Story of the Memphis Hearing**

BY KENT B. STILES

**T**ESTIMONY that the Inland Waterways Corporation, owned and operated by the United States Government, is not trying to make a profit out of the Federal Barge Lines as much as it is hoping to prove that water transportation can be revived, was given by W. M. Hough, traffic manager of the Federal Barge Lines, before William A. Maidens, Interstate Commerce Commission Examiner, at Memphis on Sept. 30, at a hearing on the complaint filed with the Commission by the American Warehousemen's Association that the Inland Waterways Corporation has violated the interstate commerce Act through practices and regulations which have been affording free and less-than-cost storage and handling on sugar and other commodities at the Corporation's river terminals.

"We are not trying to make any money out of the Barge Line," Mr. Hough said while under cross-examination, "so much as we are trying to demonstrate what water transportation is and whether water transportation can be revived and afford the shipping public some real economies in transportation."

This "noble experiment" of the Federal Barge Lines, thus far a money-losing proposition, is financed by Government money being spent to enable a Government agency to do business in non-taxpaying terminals in competition with private enterprises which are paying taxes.

These enterprises, which include railroads and sugar refineries along with warehousing, are contributing Federal taxes being utilized in part to back the Government

agency which, in furnishing that competition, is doing business either for nothing or at less than cost.

That it is unlawful for the Government thus to compete with private enterprise is what the American Warehousemen's Association contends in its complaint before the Interstate Commerce Commission. It is what the American Warehousemen's Association sought to prove through testimony and evidence presented at Memphis.

Southeastern railroads and Texas sugar interests rallied to the support of the warehousemen at the Memphis hearing.

The railroads put into the record their claim that the Federal Barge Lines have, through free and less-than-cost storage, attracted thousands of carloads of goods from the rails.

The sugar producers put into the record their claim that they have been virtually driven from the Memphis market by reason of the same free and less-than-cost storage.

As for the effect on warehousing itself, testimony was introduced to show that that effect is not alone at the river ports, but that the Barge Lines practices are injurious to privately-operated storage businesses in cities remote from the rivers.

Mr. Hough, who was the Inland Waterways Corporation's lone witness, admitted that sugar was being handled at the river terminals with the labor costs giving no regard to insurance, taxes, profit, switching maintenance, depreciation, overhead—items which an ordinarily prudent

privately-operated business organization must take into consideration.

Warehouse witnesses testified as to labor costs at their plants. This testimony showed that it was costing the warehousemen, for labor alone, more than the rates which the Federal barge agency was charging shippers for both handling and storage.

After the American Warehousemen's Association had protested, some months ago, to the Inland Waterways Corporation against the free storage practices of the Federal Barge Lines, Major General T. Q. Ashburn, the corporation's chairman and operating executive, said in his annual report for 1929: "This is a matter which is properly justiciable by the Interstate Commerce Commission." At Memphis, while C. R. Hillyer, an attorney representing Savannah sugar interests, was cross-examining Mr. Hough about doing business at less than cost, Nuel D. Belnap, Chicago attorney representing the Federal Barge Lines, said: "I suggest these gentlemen seek relief in Congress."

Several times while on the stand Mr. Hough made the statement that the Federal Barge Lines were not in the warehouse business. Storage, he maintained, was service incidental to the through transportation. In connection with this storage, he was asked by counsel for the complainant what liability he assumed as a common carrier. "Only that liability which a warehouseman might assume; possibly not as much," he replied.

"What business are you in when you store sugar down here in Memphis?" he was asked at one point.

"Why, I would say that we are in the common carrier business and properly incidental service to freight transportation," he answered.

From warehousing's viewpoint, a pleasing development

during the hearing was the wide latitude allowed by Examiner Maidens as to the character of testimony admissible to the record. With one or two exceptions the Examiner overruled objections by counsel for the defense, and thus warehousing was permitted to tell its story in more detail than might be the case at the average hearing. An observer gained the impression that the Interstate Commerce Commission wanted all possible light turned on the situation involving inland waterways operation.

As an example of the latitude given, the complainant was allowed, in the face of objections by opposing counsel, to get into the record some of the facts regarding the rate differential favoring the barge-and-rail routes as against all-rail traffic.

Rates, contended the attorney for the defense, were not involved in the present case and had no place in the record of the proceedings, and he objected to witnesses being questioned regarding them.

Harry C. Ames, a former I. C. C. Examiner, of A. W. A. counsel, explained that the purpose of getting testimony in regarding rate differentials was because he anticipated that the defense would contend that the Inland Waterways Corporation had been forced to accord free storage in order to meet railroad competition; he said he purposed to offset such contention, should it develop, by citing the 20 per cent differential in rates in favor of the barge-and-rail traffic. Examiner Maidens permitted Mr. Ames to interrogate witnesses along that line.

At the conclusion of testimony Examiner Maidens gave both sides until Dec. 5 to submit briefs. These, together with the record at Memphis, will be used as the basis of his proposed report to the Interstate Commerce Commission.

A story of the hearing at Memphis follows:

**A**FTER accepting appearances, at the opening of the hearing, Examiner Maidens stated the issues of the case, I. C. C. Docket No. 23,510 and Sub Nos. 1 and 2, as follows:

"It is alleged that the defendant's storage-in-transit rules and regulations, including drayage absorptions and allowances on sugar and other commodities at St. Paul, Minneapolis, Helena (Ark.), Birmingham, Holt (Ala.), Cairo, East St. Louis, Memphis, St. Louis and New Orleans, originating at New Orleans and other points in Louisiana, or at Mobile, or arriving at New Orleans or Mobile via ocean vessels and forwarded from New Orleans via Mississippi-Warrior service, destined to points in Mississippi, Alabama, Georgia, Florida, North Carolina, Tennessee, Kentucky, Ohio, West Virginia, Indiana, Michigan, Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Oklahoma, Missouri and Kansas, stored in warehouses of defendant, while refusing to accord like privileges, absorptions, allowances, etc., on similar shipments transported via defendant when stored in warehouses of complainant's members, are unreasonable, unjustly discriminatory and unduly prejudicial to complainant's members, in violation of Sections 1, 2 and 3 of the interstate commerce Act. Complainant asks that lawful rules, regulations and practices be prescribed for the future."

C. R. Hillyer, representing the Savannah Sugar Refining Corp.; J. H. Tedrow, representing the Kansas City Chamber

of Commerce; C. A. Mitchell, representing the New Orleans Joint Traffic Bureau; and H. G. Thompson, representing the Texas Sugar Refining Corp. and the Imperial Sugar Co., entered intervening petitions.

Harry C. Ames, of counsel for the American Warehousemen's Association, explained at this point that the issues of the case included complaint of undue burden "upon other freight traffic

are in competition with the warehouses operated by the Barge Line."

Mr. Mitchell stated that intervention by the New Orleans Joint Traffic Bureau was not "at this time" on behalf of either complainant or defendant.

An intervening petition on behalf of the Mississippi Valley Barge Line Co. was presented by Mr. Ames as counsel also for that organization, which is a new tax-paying privately-operated river transportation agency which is doing business as a common carrier by means of tow boats and barges on the Mississippi and Ohio Rivers with terminals at New Orleans and Cincinnati and headquarters in St. Louis. The position of the new company was stated to be in support of the A. W. A.'s complaint.

Nuel B. Belnap, Chicago, of counsel for the defendant, declaring that the complaint of the A. W. A. was "very general in its terms" and that "the claim for relief is very vague," asked Mr. Ames to state what the complainant would like the defendant to do in settlement of the case—whether the complainant wanted the Barge Line charges changed, or the service changed, or a new service established, or the charges lowered or raised.

"I will say generally," Mr. Ames responded, "that the members of the complainant association feel that the practices of the Barge Line, in according storage of all these various commodities, have either free or reduced rates which

**PRESIDENT HOOVER** in his Oct. 7 address at Kings Mountain Battlefield, S. C., said:

"Government in business, except in emergency, is a destruction of equal opportunity and the incarnation of tyranny through bureaucracy."

of other shippers handled by defendant not subject to or receiving the benefits of holding, storing or sacking-in-transit or reshipment privileges."

Mr. Tedrow stated that the Kansas City Chamber of Commerce was intervening on behalf of the A. W. A. because "our situation up in Kansas City is similar to those located in the points indicated in this complaint." He explained: "Our operators of individual warehouses



operate to their detriment as warehousemen, to the detriment of shippers who use their facilities, and to the detriment of traffic as a whole, in that it constitutes a burden on other freight traffic.

"We are going to attempt to show that the practices of the Federal Barge Line in according these reduced charges on storage are unlawful. Now whether the Commission desires to remove that unlawfulness by requiring an increase in these charges, we do not know. Possibly, from a certain selfish point of view it would suit our complaint to have these charges increased to the level of that charged by the members of our association, which we regard as just and reasonable charges. Possibly it would suit us to have the Federal Barge Line open up its storage-in-transit rules so as to include our members and give them an opportunity to participate in the business. But we will attempt to prove that this practice is unlawful. I am going to leave to the Commission the matter of correcting this unlawful practice. As to the manner in which the Commission will see fit to do this, we are not so vitally concerned as we are in having it corrected in some manner."

Mr. Ames called as the complainant's first witness Wilson V. Little, Chicago, executive secretary of the A. W. A. merchandise division. Mr. Little described the A. W. A. as "a national business organization for the public warehouse industry of the country," saying it was so recognized by the Government, the Sugar Institute and other shippers' organizations, educational institutions, and interests concerned with marketing procedure. The association had, he pointed out, engaged in cost finding, studies in production costs and in keeping in touch with matters affecting traffic and transportation.

"Along with the carriers—railroads, lake and motor—the public warehouse industry," he said, "is an established agency in what we call modern distribution. There are whole industries that depend upon the public warehousing industry, just as they depend upon transporting agencies for the economic and successful marketing of their products."

"So anything that the carriers, whoever they are or whatever their nature, may be doing through their rate procedure or storage practices, or whatnot, that affects this distribution procedure, or affects the shippers in marketing their goods, the warehouse industry is concerned. So we, as an organization, keep in touch with the elements in the transportation field, and that is why we are here today."

Mr. Wilson explained how, late in 1928, the A.W.A. received complaints from member companies in New Orleans, Birmingham and Memphis "in regard to certain free storage which was being given by the Federal Barge Line in the terminals located in those cities" and said that complaints had come subsequently from members in the Twin Cities and other localities—all to the effect that the warehousemen were incurring losses "through the free storage facili-

ties prevailing on account of the Federal Barge Line." He added:

"Members in San Francisco tell us that they are affected. Members in Kansas City and Chicago, where the Barge Lines do not operate yet but expect to operate in the near future, fear what is going to happen to the industry in their cities if those practices are not cut out now."

Mr. Little read the resolution which, adopted at the association's Biloxi convention last January, authorized the general secretary to call the situation to the attention of Congress, the I. C. C. and others at Washington. This memorial was entered as an exhibit.

Asked by Mr. Ames whether the complaining A.W.A. members particularized as to how the Barge Line practices were affecting them, Mr. Little replied:

"Some of them said they were losing business that they had heretofore enjoyed and that it was going to compet-

charges as the Barge Line assesses. One method of "curing the situation," he thought, would be for the Barge Line to raise its storage charges to the level of those of warehousing. The activities of the Barge Line, he declared, should be confined to the transportation business and should not include warehousing.

"It is the function of a carrier," Mr. Little continued, "to perform the transportation service, and not business such as storage in the case of commodities such as are involved in this proceeding. It is not the function of the carrier to give a free unlimited storage of freight, or reduced rate for its accommodation."

Asked what the A.W.A. members wanted, Mr. Little said:

"They want these free storage practices that are in competition with the public warehouse industry, cut out."

"You want the freight storage practice to be cut out so that the Barge Line will no longer have a right to store sugar on its own terminals when in transit under any circumstances?"

"Naturally that would be the most desirable thing."

"Would it be at all helpful if the Barge Line storage charges on this transit freight were raised to the same basis as the public warehouses located in the same towns?"

"I think that would be helpful."

During re-direct examination Mr. Little said it would be helpful if the public merchandise warehouses were given the storage-in-transit privileges which the Barge Line might create. He said it was the practice of the rail carriers to grant public warehouses the privilege of storing sugar en route, the storer paying the warehouseman the latter's rates.

Under re-cross-examination Mr. Little declared that "every kind of freight is involved in the complaint as it stands," and not sugar alone. He mentioned canned milk and stoves as two commodities.

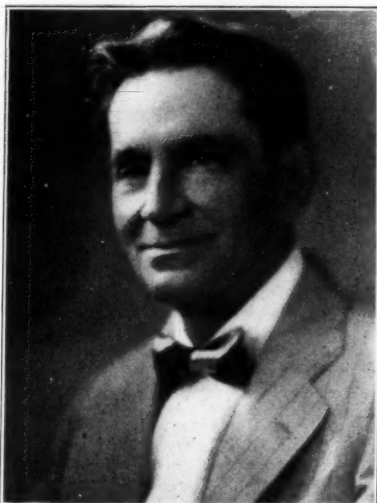
Counsel for the Barge Line questioned Mr. Little to bring out the facts that the warehouses of A. W. A. members, at cities where the Barge Line has terminals, are not on the river bank as are the terminals, and that it would require rail haul or some sort of drayage to transport goods from barge to interior warehouse. "Would your members be willing to absorb or pay the switching charge that might be required?" he was asked. Mr. Little said he could not answer the question.

A.W.A. members, he said in reply to another question, would not be willing to perform the storage itself on the same basis of charge as the Barge Line publishes in cities where the Barge Line terminals are located.

"If that scale were higher, under what circumstances do you think that the arrangement would benefit any of your members?" Mr. Belnap asked.

"There might be some shippers," Mr. Little explained, "who would want the privileges that a public merchandise warehouse could give—that is, the various services that are incidental to the public warehouse business that he could not obtain from the Barge Line, and the service would be more attractive and he

### R. W. DIETRICH



*New Orleans storage executive who has been leading the industry's fight to end unfair competition by the Government-owned Federal Barge Lines*

ing Barge Lines. Others were afraid of what was going to happen to them and complained against the principle of these cheap and free storage facilities or facilities that were made available at less than actual cost."

Asked, under cross-examination, what there was about the Barge Line practices which made warehousemen lose business, Mr. Little said:

"The rates that are being charged by the Federal Barge Line for arranging space for the accommodation of sugar, for example, stopped in transit. Those charges are very small as compared to what is necessary for the public merchandise warehouseman to charge in order to conduct his business at all."

A.W.A. members could not, he said in reply to another question, afford to handle sugar in transit on the same basis of

would be willing to pay a little more for it."

In response to a question by Mr. Hillyer representing sugar interests, Mr. Little said:

"Competitors that are tributary to the Barge Line have an undue and unjust advantage against the interests of our customers who do not have the opportunity, due to their location and not being tributary to the Barge Line, of having to use warehouses where they do not have this free storage privilege. That, of course, is a distinct disadvantage to the customers of our members."

When non-tributary customers were hurt, warehousemen were hurt, he added.

A. S. Castle, secretary of the Memphis Harbor Commission, appearing under subpoena, produced a copy of the lease between the city and the Federal Barge Line, and this was introduced as an exhibit.

The next witness was R. W. Dietrich, chairman of the A. W. A. committee on traffic and transportation—traffic and lake ports; and president of Dietrich & Wiltz, Inc., New Orleans warehousemen. He is one of the signers of the formal complaint filed with the I. C. C.

Mr. Dietrich offered in evidence a 19-page exhibit containing "a historical statement of the transit arrangement published by the Federal Barge Line Company for the period from June, 1928, to date," and explained various Barge Line tariff provisions at Helena, Birminghamport, Cairo, St. Louis, Memphis, Minneapolis and other points. Other Barge Line tariffs were entered also, including one which had become effective on Sept. 29, the day prior to the Memphis hearing, the Examiner overruling objection, by counsel for the defendant, against their admission.

Testifying that his firm formerly stored "large quantities of sugar brought in coastwise or from other sources," Mr. Dietrich said:

"We lost this business to the Federal Barge Line when the Federal Barge Line started activities up the river; in April of this year we lost the storage of 30,000 bags of sugar in one lot. We lost this business even after we had made all arrangements to store it, and this is typical of other cases. If this free storage were eliminated, and transit arrangements extended so that it would apply only on merchandise stored on other than facilities of the Federal Barge Lines, and out of their custody, and if such charges, rules and regulations would be made by the Federal Barge Lines so worded as to prevent abuse of their transportation facilities, a great deal of this storage would be recovered by our warehouses."

Mr. Dietrich stated that the Barge Line put in an arrangement which recognized transit without storage charge for sixty days in space leased from the municipal terminal at Memphis; charges began after this free period, he said.

"The storage charges included the cost of handling sugar into and out of storage," the witness continued, "and where

sugar was removed within the free time allowed, the Barge Line would permit handling into and out of storage and make no charge therefor. This item also provided that where sugar was stored under the provisions of this item, the Barge Line's responsibility as a common carrier would cease with the placing of shipments in storage and all charges for transportation which had accrued on the traffic would become due and payable at that time. The item also provided that while the sugar was in storage, the Barge Line's responsibility would be that of warehousemen only.

"The warehousemen at Memphis, New Orleans, Birmingham and other places became alarmed because of the likelihood that this free storage would spread from sugar to other commodities handled by the Barge Line."

Mr. Dietrich read into the record Sections 21 and 22 of the uniform ware-

**ADDRESSING the American Bankers Association at Cleveland, on Oct. 2, Fred W. Sargent, president of the Chicago & Northwestern Railway Co., said:**

"We may assume for the purpose of this discussion that the public welfare requires the development of inland waterways at public expense, but when the Government uses the taxpayers' money to furnish the capital and to afford rates that will materially interfere with the investments of thousands upon thousands of our people in other forms of transportation, it is as clearly violating the Constitution of the United States as if by direct legislation it so reduced the rates of the railroads that they could not under honest, economic and efficient management secure a fair return for honest investments."

house receipts Act. The first defines the warehouseman's liability for care of goods, and the second requires that depositors' goods must be kept separated.

The witness then said he desired to read into the record "a few rates on sugar from New Orleans applying all-rail, and applying barge-and-rail."

Mr. Belnap objected, saying that "the matter of line haul rate is not within the issues involved in this case."

I. F. Daspt, New Orleans, of counsel for the complainant, explained that "these rates are subject to storage-in-transit privileges which are under attack" and that the purpose of getting them into the record was "to show, by reason of the rate applying to storage-in-transit for the Barge Line, as compared with the rate applying all-rail."

Mr. Belnap contended that such was "closely incompetent in this case." Mr. Hillyer for the sugar interests supported the effort to get the rate evidence en-

tered. Examiner Maidens finally overruled Mr. Belnap's objection, declaring he could not see how bringing in rates for comparison would broaden the issues, regardless of what their value might or might not be. Mr. Dietrich thereupon quoted rates from New Orleans via all-rail and via barge-and-rail to various Alabama points.

Under cross-examination Mr. Dietrich explained:

"The storage-in-transit at Memphis and Birmingham is confined to the warehouses owned and operated by Federal Barge Line, and that free or practically free rate deprives me of an opportunity, and deprives our shippers of an opportunity, of doing business with us at New Orleans which they formerly did."

Asked by Mr. Belnap what he wanted in the way of relief, Mr. Dietrich said:

"I want the rules and regulations and the rate for the storage service of the Barge Lines so fixed as to prevent the abuse of the Barge Lines' transportation facilities for the purpose of storage. We are in the warehouse business and we want the opportunity to do a warehouse business."

"The Barge Line is in the warehouse business. More than that, the Barge Line is competing with me by giving storage with only cost of the service, and it is only enabled to do that with the use of United States Government money, a part of which is received from me as a taxpayer. I am helping the Barge Line by my proportion of the taxes to put me out of business."

He added that he would like to have the Barge Line make a rate "high enough to prevent the abuse of its transportation facilities as storage facilities" and said the Barge Line should follow the B. T. Jones tariff by charging for storage when goods are not removed in 48 hours and that a rate of one cent per 100 pounds per day should be made for storage—as against the Barge Line's recently-inaugurated rate of 1½ cents per hundred for the first 60 days for storage and handling. Moreover, "the Commission should order the Barge Line to recognize storage-in-transit on sugar and other commodities when stored in the warehouses" of A. W. A. members.

"Would it mean anything," Mr. Belnap asked, "to extend to the members the storage-in-transit at off-riverbank warehouses if we, the Federal Barge Line, continue to store on our property for 1½c. per 100 pounds for the first 60 days?"

"No sir, it would not help at all," Mr. Dietrich replied.

An increase in Barge Line rates would benefit shippers, the witness went on, explaining:

"I understand that some shippers of Louisiana sugar are being displaced from their market in sugar moving from Memphis to territories served by Memphis by reason of the practically free storage in effect here. For instance, they claim that sugar grown in Hawaii and manufactured in San Francisco, by reason of the low water rate and the low storage rate, is displacing their own particular sugar to a great extent in the



## A "Who's Who" of the Memphis Hearing

THE proceedings were before William A. Maidens, Interstate Commerce Commission Examiner, at the Hotel Gayoso, Memphis, on Sept. 30. Attorneys representing the American Warehousemen's Association were I. F. Daspit, New Orleans, who prepared the complaint which the A. W. A. filed originally with the I. C. C., and H. C. Ames, who, formerly an I. C. C. Examiner, represented also the new privately-operated Mississippi Valley Barge Line Co. Witnesses on behalf of warehousing were, in the order of their appearance:

Wilson V. Little, Chicago, executive secretary of the A. W. A. merchandise division.

R. W. Dietrich, president of Dietrich & Wiltz, Inc., New Orleans, and chairman of the A. W. A. committee (traffic and transportation—river and lake ports) which has been developing the situation on behalf of the storage industry.

A. W. Cassell, who, secretary of the Memphis Harbor Commission, was present under subpoena.

Leon S. Rose, manager of the Rose Warehouse Co., Memphis.

W. H. Dearing, secretary of the John

H. Posten Warehouses, Inc., Memphis. Fred S. Kedney, president of the Kedney Warehouse Co., Minneapolis.

H. J. Crandall, president of the Crandall Transfer & Warehouse Co., Moline, Ill.

Chester B. Carruth, Chicago, cost accountant and statistician of the A. W. A. merchandise division.

Phil G. Safford, assistant to L. W. Childress, president of the new Mississippi Valley Barge Line Co., an intervener.

Joseph G. Kerr, Louisville, assistant to the vice-president in charge of traffic, Louisville & Nashville Railroad Co.

H. G. Thompson, Sugarland, Tex., representing the Imperial Sugar Co., an intervener.

Questioning the witnesses on behalf of the Savannah Sugar Refining Corporation was C. R. Hillier, a Chicago attorney.

Warehousing representatives present who did not testify were S. J. Beauchamp, president of the Terminal Warehouse Co., Little Rock, Ark.; T. M. Lamphere, traffic manager of the Northwest Warehousing Co., Minneapolis; F. R. Long, president of the

A. W. A. merchandise division and manager of the S. N. Long Warehouse, St. Louis; L. E. McKnight, president of the Merchants Warehouse Co., Inc., Memphis; and Kent B. Stiles, editor of *Distribution and Warehousing*, New York.

Representing the Inland Waterways Corporation as counsel was Nuel B. Belnap, a Chicago attorney, assisted by John S. Buchanan and Luther M. Walters, Chicago attorneys.

W. M. Huff, traffic manager of the Federal Barge Lines, was the lone witness for the defense.

Putting in appearances, but not testifying, on behalf of the complainant were Edward Moulton and C. A. Mitchell, of the New Orleans Joint Traffic Bureau; E. V. Rhodes, Texas City, Tex., of the Texas Sugar Refining Corporation, an intervener; L. D. Schaffer, American Sugar Refining Co., New York; P. L. Shepherd, Savannah, traffic manager of the Savannah & Atlantic Railway, an intervener; and J. H. Tedrow and T. J. Slattery, of the Kansas City (Mo.) Chamber of Commerce, an intervener.

territory where formerly they did not have any competition practically."

Under re-direct examination, Mr. Dietrich testified that his average cost for handling sugar into and out of storage at his New Orleans warehouses was approximately 30 cents a short ton, this being exclusive of any overhead items, such as office expense, etc. It was, he said, a pure labor cost.

"Suppose," he was asked, "the Commission were to enter an order requiring the Barge Line to get out of the storage business and get back into the transportation business, would that please you?"

"Yes, sir."

Under re-cross-examination Mr. Dietrich explained how he arrived at his 30-cent labor cost.

The next witness, Leon S. Rose, manager of the Rose Warehouse Co., Memphis, read into the record figures indicating the amount of sugar he had stored from January, 1924, to Oct. 1, 1930. These were given by months, and some of the months were blanks. Questioned on this last fact, the witness testified that the Barge Line's "free storage practices" were responsible. It was impossible, he said, for a warehouse to compete with 1 1/4 c. for 60 days or less, per 100 pounds.

In 1928, Mr. Rose said, the Barge Line discontinued extending to his warehouse the privilege of storing barge-transported sugar. "It eliminated us," he declared, "from handling any transit sugar whatsoever and practically cut out our deliveries of sugar to Memphis shippers almost to the point of nothing."

Mr. Belnap asked the witness, under cross-examination: "To help your business, the Barge Line has got to increase its storage charges to where they are equivalent to yours, is that right?"

"That would not do any good unless that also included us in the transit privileges," Mr. Rose replied. "We are

not included in their transit privileges now. We are excluded from them."

Mr. Rose said he would refuse to handle business if he had to handle it at the 1 1/4 c. per 100 rate because it was too low and he could not make any money on it. "I would lose money on every bag that I handled," he stated, adding:

"I would absolutely refuse to attempt to handle business at less than what it cost."

The next witness, W. H. Dearing, secretary of the John H. Posten Warehouses, Inc., Memphis, testified that he and Mr. Rose had "gone through the same experiences together." It cost him, he said, 1 1/4 cents per 100-pound bag to take sugar out of the car, pile it up, and, at end of storage, pick it up and put it back into car. This was the touch labor cost and did not include overhead, he declared.

Fred S. Kedney, president of the Kedney Warehouse Co., Minneapolis, testified that the change in the Federal Barge Line tariff referred to by Mr. Rose cut down a large proportion of the amount of sugar which, coming from the South, his firm had been storing.

In Minneapolis, Mr. Kedney said, it cost 2.21 cents per bag to handle in and out—the bare labor cost, without overhead considered. The figure was the average for the Twin Cities warehouses over a considerable period, he stated. Labor costs were higher in Minneapolis than in Memphis, he added.

H. J. Crandall, president of the Crandall Transfer & Warehouse Co., Moline, Ill., after stating that the storage rule of the Barge Line had not affected his sugar handling, testified as to labor cost. It was, he said, 2 1/2 cents per 100 pounds, not including any overhead.

The next witness was Chester B. Carruth, Chicago, cost accountant and statistician of the A. W. A. merchandise

division. Regarding the direct labor cost on sugar, he testified as follows:

"In the survey which I conducted for a group of warehousemen at Chicago in 1923 I found, at one of the warehouses which was engaging very largely in the business of warehousing sugar, that during the period of the survey there was received 51,928 bags in 76 lots, making an average receipt of 683 bags per lot. During the period of the survey there was delivered 26,817 bags in 372 deliveries, making an average of 72 bags per delivery, and showing an actual touch labor cost of receiving and delivering that sugar expressed in terms of 10 hours per bag of .026, or 26/100 of a man-hour per bag round trip. The average scale of the warehouse was 54 cents per hour, each employee, which, multiplied by the 10-hour cost, made a per-bag labor cost of 1.4 cents."

This did not, he said, include overhead; his study showed that 247 per cent of the direct labor cost constituted the overhead, thus making the total per-bag handling cost 4.86 cents. Under cross-examination, Mr. Carruth told how he arrived at the 247 per cent.

Phil G. Safford, assistant to the president of the new privately-operated Mississippi Valley Barge Line Co., an intervener, testified that his organization did not purpose to engage in warehousing, believing that storage does not belong to transportation companies. "To put it plainly," he said, "it is not their business."

Joseph G. Kerr, Louisville, assistant to the traffic vice-president of the Louisville & Nashville Railroad Co., testifying on behalf of the complainant, outlined the experiences of the Carolina and southeastern territory railroads in negotiations with the Federal Barge Line. He charged the Federal Barge Line with bad faith, declaring it had represented to the railroads that if the latter would withdraw certain concurrences they had filed



with the I. C. C., the Barge Line would in turn amend its storage-in-transit rates as desired by the rail carriers. The concurrences were thereupon withdrawn, Mr. Kerr stated, continuing:

"We were then informed by the officials of the Barge Line that they had no intention whatever of making such an amendment. . . . We were finally met with a straightout refusal of the Barge Line people to make any change in their transit arrangements unless we restricted the concurrences and powers of attorney forcing them to do so.

"So the major southern lines, southeastern lines and Carolina lines have again amended their occurrences and powers of attorney to become effective on Nov. 15, which at this time will stand until they are ordered to be cancelled by the Commission and under which the Barge Line has no alternative but to issue amendments to their tariff in such a way as to provide for the protection of any less than carload all-rail rate on sugar stored in transit at Birmingham and Holt.

"I want to emphasize that the rail carriers in the Southeast and Carolina are placed in a position of being unwilling participants in transit arrangements which operate not only to their disadvantage; in fact, they result in a form of competition which we, like the warehousemen, find it absolutely impossible to meet, and further, we are unwilling to participate in an arrangement which operates to the detriment of other shippers and refiners which we serve."

Under a storage-in-transit arrangement which the Louisville & Nashville made in 1921 covering sugar moving via Barge Line, Mr. Kerr testified, the Barge Line permitted storage in privately-operated warehouses, the latter's rates being paid by the shippers. The railroad, he declared, did not absorb any of the storage charges in its line-haul rate. It was generally true that where rail carriers provided for storage, the shippers paid the regular warehouse charges, he said.

The witness testified he had "extreme difficulty in competing with these storage-in-transit arrangements of the Barge Line during a good part of the time."

"Is it not true," Mr. Ames asked Mr. Kerr, "that the only way you could successfully meet that competition is by reducing your rate to the Barge Line level and going into the storage warehouse business?"

"Well, theoretically you are right," was the reply, "but actually, whatever rate we might make, the Barge Line automatically observes the 20 per cent differential basis, so that it would soon be down to nothing, as you can readily see, and, unfortunately, we do not have the United States Government to make up our differences."

"I am assuming, in connection with the question," said Mr. Ames, "that no differential would be required with free storage and that they would require that the rate be on the same level."

"If the Commission," Mr. Kerr replied, "should require, or there should be accomplished in some way, a revision of

the storage-in-transit arrangement of the Barge Line so that they would charge not less than the through all-rate, we would not then be on a parity unless we ourselves established the storage-in-transit arrangement at practically the same rate, and also either engaged in the warehouse business ourselves, performing the service at a nominal charge, or hired somebody else to perform it and we would shrink the difference between the cost of the nominal charge."

Replying to cross-examination questions by Mr. Belnap, Mr. Kerr said:

"All-rail shippers have been deprived of hundreds of cars of sugar that would have moved all-rail from New Orleans. We, too, of course, have been deprived of those same cars that would have moved all-rail over our lines."

Some of Mr. Kerr's direct testimony was admitted over protest by the defendant.

H. G. Thompson, vice-president of the Imperial Sugar Co., Sugarland, Tex., testified that the Barge Line storage arrangement at Memphis had harmed the Texas sugar interests.

"The sale of sugar is so competitive," Mr. Thompson explained, "that everything, including storage, handling, transportation charges, interest, enter into the distribution of it.

"We are competing, as an illustration, with New Orleans in Arkansas in the sugar business. New Orleans refiners can use the barge to Memphis, whereas the Texas refiners cannot use the barge, but have to ship all-rail. In order to compete with the service east of Little Rock, which is practically on an overnight service from Memphis, the refiners in Texas have had the experience and have found that it was necessary for them to carry what we call transit stocks at Little Rock and other points in Arkansas. From the transit stocks we make deliveries locally at Little Rock and use these stocks to transit out sugar to other points in Arkansas. This is true of all the southwestern territory.

"The railroads are very liberal in their transit arrangement in permitting the consigning to points in immediate origin of destination; some of them go so far as to permit 200 miles back haul service, as the situation has gotten so in Memphis that on account of the Barge Line free rate of storage, or practically so, the two Texas refineries have been forced to withdraw from the Memphis market in the handling of their sugar. Practically the universal charge that we have to pay the commercial warehouse is 5 cents or 6 cents per 100 pounds for the first month, which includes in and out storage and service, and 6 cents to 8 cents for a space of time longer than 60 days or up to 60 days, and 2 or 3 cents additional for the storage charge for every additional month."

When the refineries shipped all-rail and enjoyed storage-in-transit privileges, they had to pay the warehousemen for the storage of that sugar, Mr. Thompson said, adding that he had never heard of an instance in which the rail carrier absorbed the charge or paid the refineries

for it. The shipper enjoying the barge-rail service accordingly had the advantage, he declared, because the barge-rail service was cheaper. His company paid warehouse charges also at Kansas City, St. Paul, Minneapolis, and Omaha, he stated.

Under cross-examination by Mr. Belnap, the witness was asked:

"When some order is issued against the Barge Line so that they could no longer operate a differential rate, or were the transit privilege or principle eliminated, would you continue to maintain your storage, your transit, stocks in the destination territory?"

"Yes, sir."

"You did that before the Barge Line came into business, did you?"

"Yes, sir."

This concluded the testimony and evidence entered on behalf of the complainant.

The defendant called as its first and only witness W. M. Hough, traffic manager of the Federal Barge Lines, who read into the record a lengthy prepared statement in defence of the Inland Waterways Corporation's operations, practices, rules, regulations and tariffs.

Except as to upper river ports "the practices under attack" were no longer in effect, he declared, as rules and changes had become effective one day prior to the hearing. The Barge Line was "still pioneering in undeveloped fields," he declared, and modifications effective Aug. 10 "evidence its latest experience" in transit rules and charges.

Almost every rail carrier participating in joint rates in the territory involved "affords transit privileges on sugar," Mr. Hough said, and this and other forces had impelled the Barge Line to follow suit. Transportation by rail formed the basis of the Barge Line's competition, and to a large extent its system of charging also, he added, continuing:

"Like the railroads, who experience confined operation of their transit arrangements to warehouses on tracks, the Barge Line wisely confined its transit arrangements to warehouses on the river. Transit operators and rail carriers alike realized the necessity of minimizing the cost of handling the freight, and experience has forced the practical operation of transit freight to locations where car and warehouse meet and the freight may be directly passed back and forth at the lowest cost.

"Barges cannot operate on land. They can only operate in the river, and the Barge Line is still earnestly endeavoring to influence development of warehouses and industries on the river bank capable of receiving and shipping freight directly from and to barges, as shippers and receivers now load and unload cars on switch tracks at their expense. Economy in total cost of transportation is the aim of this water carrier. That the lessening of terminal operating cost and absorptions is important may be evidenced by the fact that these items still greatly exceed the line costs. The whole object to be ac-

complished is lost where unnecessary and unnatural terminal expenses are incurred. With this thought prominent in mind, the Barge Line has held the transit arrangements on sugar to detention in its regular river terminals where the freight must always be unloaded and passed directly to cars, held for local delivery or laid down awaiting other disposition."

If privately-operated warehouses were located on river banks, the witness declared, the Barge Line "would gladly extend application of the sugar transit privileges" to them, but "meantime it cannot reasonably undertake the burden of attempting to overcome the handicap of badly located warehouses by theoretically setting barges containing sugar to these inland points of discharge by absorbing the switching or drayage charges."

"Since the river cannot be extended to the inland warehouses," he said, "the latter should come to the river bank to enjoy normal benefits of economies afforded by water transportation. It is therefore clear that no discrimination exists, since all facilities under similar conditions (those located on the river bank) are accorded the same treatment."

Temporarily stopping barge-rail sugar in transit at port of interchange was, Mr. Hough held, "a natural incidental service to the through transportation."

The witness declared that it was "perfectly normal to permit detention of the sugar beyond the usual 48 hours free period" because it was essential that ample room under cover be afforded for carrying on interchange at the ports and because of the necessity for breaking bulk there.

The witness explained the terminal lease between the Barge Line and the municipality at Memphis and described the mechanical operation of transferring sugar from barge to terminal. The labor cost covering sugar at Memphis was "comparatively low," he declared, "the average being 40 cents per ton of 2000 pounds," this average covering the labor cost of handling from barge to car, or barge to stock pile, and including also loading into cars when direct from barge, and the cost of piling the sugar when from barge to warehouse. This was somewhat less than the cost of handling all the freight at the Memphis terminal, he said, it being possible to handle sugar at a smaller cost in view of the relatively greater volume received at one time and because of uniformity of package. The Barge Line paid not more than 15.8 cents a ton for extra handling made necessary by detention, and "for this service it assesses under the tariff a minimum charge of 25 cents per ton in addition to the line rate, so that no burden is therefore thrown on the revenue derived from line service."

"The charges for stopping sugar in transit at Memphis," the witness went on "are 25 cents per ton for the first 60 days, 75 cents for a period of 90 days, \$1.25 for 120 days, and up to a maximum of \$5.55 per ton for 12 months. No free time is allowed and no allowance is

made for Sundays and holidays. The minimum charge of 25 cents was designed to amply cover any and all extra expense over and above that which would be incurred on freight moving directly through to interior destinations under barge-rail rates. It is approximately 50 per cent greater than any possible out-of-pocket cost.

"The terminal at Memphis is leased as

**THE** Inland Waterways Corporation, Federally owned, operates four distinct entities. Three of these are under the trade name of the Mississippi Warrior Service. They are the upper Mississippi division, from the Twin Cities to St. Louis; the lower Mississippi division, from St. Louis to New Orleans; and the Warrior division, from New Orleans via the Industrial Canal, the Mississippi Sound and the Warrior River to Birmingham, a Warrior River port about twenty-seven miles from Birmingham.

The fourth entity is the Warrior River Terminal Co., an Alabama corporation which operates as a terminal railroad between the Warrior and Ensley, Ala., about nineteen miles.

Plans are under way for extending the Barge Line system on the Missouri River from St. Louis to Kansas City.

The corporation owns about 300 pieces of floating equipment, including towboats, self-propelled barges, cargo barges and tugs.

During the calendar year 1929 the corporation handled, on the upper Mississippi division, 105,950 short tons, as compared with 119,648 the preceding year; on the lower Mississippi division, 1,292,876 short tons, as compared with 1,435,560 the previous year; on the Warrior division, 254,555 short tons, as compared with 317,389 the previous year. Total, 1,653,381 short tons during the 1929 calendar year as against 1,872,597 in the previous period.

a whole to the Barge Line and unless the available covered space is utilized to stimulate the line-haul traffic such as sugar, it will probably remain unoccupied. The fact that sugar is detained does not in any way increase the annual rental, the insurance, or maintenance of the structure. Only a slight difference is labor cost is involved in handling transit sugar and this is more than amply covered by the stopping-in-transit tariff charges.

"The latter charges were not designed to match those of private or public ware-

houses, and no profit was anticipated therefrom. The Barge Line is not in the warehouse business. Temporary detention at the ports of interchange is permitted only on line-haul traffic, and detention charges only are intended to be sufficient to meet the additional cost, if any."

After describing the Barge Line terminal facilities at Birmingham, Mr. Hough testified that careful studies had shown the labor cost of handling sugar there, from barges to car, or from barges to stock pile, was 45 cents per ton of 2000 pounds, the labor comprising preparing and loading the car, and the stacking sugar in warehouse; on all freight, the average cost was 52.68 cents per ton. The cost on handling sugar at Holt was 40 cents per ton; on all freight, 64.04 cents.

The Barge Line's sugar transit arrangements had brought considerable tonnage which would not have come to the line without that attraction, Mr. Hough declared, and the line's service was held forth to the public as affording a cheaper means of transportation.

Mr. Hough cited figures to show that the Barge Line collected storage revenue on sugar stored at Memphis and Birmingham and moved to points beyond under barge-rail rates.

Turning to the Twin Cities, the witness said that on freight reaching there during the open season, 30 days in storage without charge is permitted "to the extent that space is available in the river terminals leased from the municipalities," and that thereafter there was a storage charge of 20 cents per ton of 2000 pounds for each 30-day period or fraction thereof. During the closed season, no charges were assessed. The records showed, he declared, that at St. Paul more than 60 per cent, and at Minneapolis more than 93 per cent, of the local freight was delivered within 10 days of arrival. During 1928 the average detention at both ports was 16 days, he said.

"We are informed by receivers of freight that prior to inauguration of barge service," Mr. Hough continued, "none of this freight was shipped into the Twin Cities and stored in public warehouses. When they began to use the Barge Line, some readjustment in their method of ordering out shipments and filling orders was necessary, and the storage feature has been utilized by them to make possible and practical the meeting of new conditions brought about by the slower service and less frequent forwardings."

The practices at the Twin Cities were, the witness contended, "justified by competition at western points on the Great Lakes, where freight moving under unfilled orders may be detained at destination, free of storage charges, for varying and indefinite periods."

Mr. Hough testified that it cost the Barge Line no more rental for its terminal facilities by utilizing the cover space for storage, and that such space if not used would undoubtedly remain vacant.

"The situation is being carefully



watched," he said, "and if experience at any time demonstrates that greater charges can or should be made and still hold the traffic, it will be our purpose to do so, but not in any sense to show a profit on the detention operation, for the Barge Line is not in the warehousing business."

Under cross-examination by Mr. Ames, Mr. Hough said he was aware that the Barge Line had a 20 per cent differential under the all-rail rate.

"You never tried out the method of applying the commercial warehouse rates, have you?"

"No, we never have, as I recall."

Mr. Ames pressed the witness on his statement that the Barge Line was not in the warehousing business, asking: "What business are you in when you store sugar down here in Memphis?"

"Why, I would say that we are in the common carrier business and properly incidental service to freight transportation," was the reply.

"In your opinion, then, you are performing a transportation service when you do this storage?"

"It is incidental to the through transportation," said Mr. Hough. "We do not issue a negotiable warehouse receipt and do a lot of other funny things that public warehousemen are supposed to do as their prime business. This service that we perform is purely incidental to the through transportation."

"In handling this warehouse business, what liability do you assume as a common carrier?"

"Only that liability which a warehouseman might assume; possibly not as much."

"So you are in the transportation business but you are accepting a warehouseman's liability, is that true?"

"No, we are cutting out the common carrier liability which in our case is even greater than that assumed by rail carriers, ordinary acts of God, riots, strikes, and the public enemy, etc. We cannot afford to assume all that liability on freight at the instance of the owner."

"Well, if you are performing common carrier transportation," Mr. Ames asked, "how do you divest yourself of common carrier liability?"

"I did not say we were. I said we were performing a service incidental to through transportation."

Mr. Ames dropped this line of questioning and recalled the witness's direct testimony as to labor costs at Memphis.

"What is the storage cost to you?"

"It does not cost us anything with the exception of the labor of handling to and from the pile," was the reply.

"You say it does not cost you anything, and yet you have to pay \$72,000 a year for a place to keep that sugar. Where is it that it does not cost you anything?"

"It would not cost us a nickel more if we did not have it there, and it would not cost us any more if we had twice as much in that storehouse as we have now. We have to rent the whole terminal anyhow."

"Since you have to pay \$72,000 a year

for those premises anyhow, you say, is it your point that it does not cost you anything to handle the sugar?"

"We are not out any money except the labor cost, and we are not out that because we collect more than it costs us," Mr. Hough replied.

"How do you get the money to give the \$72,000 back?"

"We do not get it back, but we have to pay it anyhow. We would have to pay it if we made no money there at all. This is an item of rent and it is not a productive item. It does not make any more difference to us than to the Illinois Central at their freight warehouse. We have to have the warehouse to receive and deliver freight just as the Illinois Central has to, and they do not make any money on theirs and we do not make any money on our terminal, but we have to have it just the same."

Mr. Ames went back to "service incidental to transportation." Mr. Hough testified:

"A railroad unloads some freight and handles it through the house; that is a service incidental to through transportation. We discharge this sugar from the barge and handle it through the house, picking it up again and putting it in the car; that is service incidental to the through transportation."

"Did you ever hear of a railroad taking carload freight and storing it 60 days before they deliver it?"

"Yes, that is actually done at a great many places, so I understand," said Mr. Hough. "Take New Orleans, for instance. The Illinois Central Railroad maintains a warehouse where they receive freight and store it indefinitely."

"At what charge?"

"I think those rates are shown in Emerson's tariff. The particular freight I have in mind, import freight—storage rates, they are very much lower than the so-called normal commercial public warehouse rates."

"And they are also very much higher than your rate?"

"We have none at New Orleans," said the witness.

"Well, is it your idea to furnish transportation at less than cost, or service incidental to transportation at less than cost?" asked Mr. Ames.

"No."

Mr. Hough was asked why he had decided to change the Barge Line tariff from the granting of free storage for 60 days to the making of a charge for storage.

"Because our experience demonstrated that we could get something more for it," he replied.

"What competition have you with other sugar or other carriers that justifies you in granting this storage privilege at Memphis at a lower than commercial warehouse basis?"

"Well, we are really not interested in what the commercial warehouses charge, because we are not in that business. We have granted it because it is of distinct value to the shipping public and an economy in line services. It is an incidental service and we operate it at no

profit to us and to give it to the shipping public at just what it costs us. . . . We are not trying to make any money out of the Barge Line as much as we are trying to demonstrate what water transportation is and whether water transportation can be revived and afford the shipping public some real economies in transportation."

"Do you mean you established that without thought of competition?"

"There certainly was no thought of competition with the public warehouse."

"Well, get the public warehouses out of your mind," said Mr. Ames. "Say, carrier competition?"

"We did not have rail competition in mind at all."

"What competition did you find that compelled the service?"

"Well, there was not any," was the response.

Mr. Ames turned again to rail competition, asking if the witness knew of any railroad providing storage-in-transit and bearing the expense of that storage by providing it at less than the commercial rate.

"Well, some of the lines that reach the Great Lakes ports give 30 days' storage on their own premises," said Mr. Hough. "It is a practice that has been in effect for a great many years."

"To sum up all the questions I have asked about your relationship with other carriers," said Mr. Ames, "I understand now your position is that you established this service not with the idea of competition, but because you thought it would be a valuable service to the shipper?"

"And in the public interests," said Mr. Hough.

Mr. Ames pointed out that in the new Barge Line tariff, effective Sept. 29, the charge for a month, at the end of the first 60 days, was jumped to 3¼ cents a 100 pounds, for storage, as compared with 1¼ cents the first two months.

"We raised the scale so as to push the sugar out and keep it moving," the witness explained.

"When you collect that 3¼ cents, do you make a profit out of that?"

"Yes, we would make a slight profit."

"How much?"

"I don't know."

"How do you know you have got any profit if you do not know the cost?"

"We have never calculated it."

Mr. Hillyer, on behalf of sugar interests, questioned Mr. Hough as to the figures the witness had cited covering Barge Line labor costs. The latter included nothing for insurance, taxes, depreciation, switching, and nothing for overhead, the witness admitted.

Mr. Hillyer questioned Mr. Hough as to the costs of constructing the Birmingham and Holt terminals, saying: "I know you have a service that you are rendering on this sugar and it costs you money, and regardless of what you may testify to here, I presume it is a fair conclusion that this service should be charged with its proper charge of these costs. My client is suffering because of it."

Mr. Belnap injected the comment:



"I suggest these gentlemen seek relief in Congress. The Commission has no power to fix minimum rates."

In reply to another question, the witness testified:

"The transit privilege undoubtedly has proved successful, has brought the Barge Line considerable more sugar than it would have otherwise handled, thus giving the shipping public the benefit of a great deal of saving in transportation costs."

"And at the expense of some of the rest of the public, too," said Mr. Hillyer.

"That is your statement, not mine," replied Mr. Hough.

"Let's see about that," said Mr. Hillyer. "Starting out to encourage the competitive movement of sugar on the Warrior Line at low rates and free storage, warehousing, etc., you have increased this tonnage until it is pouring into our territory—moving in, in vast amounts. Is it not reasonable for you now to increase those charges somewhat nearer the cost of service?"

"We have."

"But you are still running at a deficit on the Warrior Line?"

"We have increased the costs of the charges for the transit privileges to the point where we think they will at least exceed any possible out-of-pocket additional costs."

"But you are still losing money on the line?"

"Yes, sir, there is an operating deficit on the Warrior as yet, but that has not

anything to do with the existence of the storage-in-transit on sugar. If anything, that deficit is being lessened by reason of the increased volume of sugar handled, attracted by the transit privilege."

"I think it is due," said Mr. Hillyer, "to the reduced rates on sugar plus the low storage charges and other advantages peculiar to the handling of the sugar business, all of which is operated toward carrying out your desire to increase the sugar tonnage."

"You are speaking your opinion now," the witness commented.

"What have you to say to my last question," asked Mr. Hillyer, "as to the time having about come when you can charge this tonnage with those various items that you do not now include in the charge, such as insurances, taxes, profit, operating ratio, switching maintenance, depreciation and overhead?"

"We have to have all those things,"

Mr. Hough replied, "and we have to pay them anyway, whether we handle any sugar or whether any sugar is stored or not in transit. We are adding a charge for transit that more than covers the actual out-of-pocket cost. The railroad does not necessarily add something because freight passes through one of their stations."

"Mr. Hough, is it not true that this whole Barge Line proposition is largely a sugar proposition? Do you get any amount of traffic at all except the sugar that you are handling on both the Warrior and the Mississippi?"

"Oh, my God, you astonish me tremendously," the witness responded. "We are handling tons and tons of other freight than sugar. We have very, very large shipments of other materials and there are other shippers utilizing the barge service than the sugar trade."

"In view of this heavy movement of sugar, do you think you should still continue to bring it up the river and not include all of the charges, especially in view of the fact that the Barge Lines are operating at a deficit?"

"I think I made that very clear," said the witness. "We are getting some tonnage of sugar today, and on that we are getting what we consider a fair charge for the service we render. Next year we may be able to get more. It is not our purpose to charge the shipping public just because we can do so. We are trying to render a distinct service to the shipping public. The shipping public at large is our chief interest, and we look to them first, as we feel it is our duty to do so."

Mr. Ames, for the warehousemen, asked the witness:

"Would you not be able to charge the regular warehouse rate and go out and compete for and get this sugar—be able to get it away from the railroads—in a competitive way?"

"No, sir."

After the conclusion of testimony Examiner Maidens fixed Dec. 5 as the date when briefs would be due. Thereafter he will make his proposed report to the Interstate Commerce Commission.

## New Service Recorder Charts Longer Trips of Trucks

A NEW motor truck accessory which records three days and three nights of travel on one chart is announced by the Service Recorder Co., Cleveland. The actual chart is six inches in diameter and is divided into three sections. It is mounted on a clock movement which revolves only once in seventy-two hours.

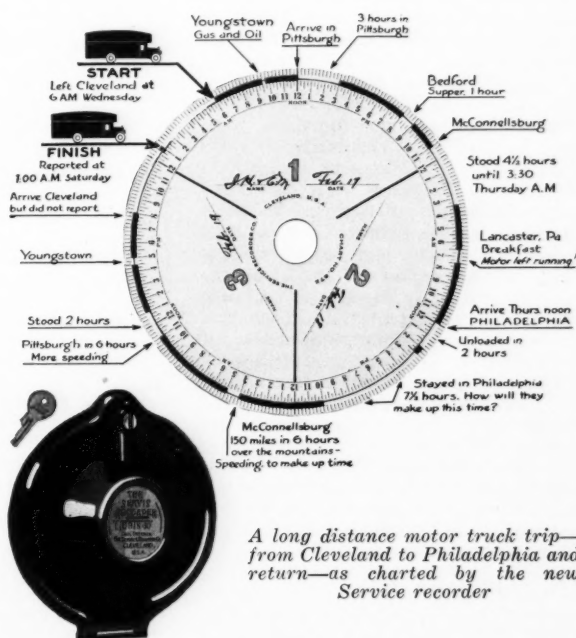
"This is the first time such a timing mechanism has been made," says the company's announcement. "It makes possible a chart on which the travel record does not overlap."

### For All Types of Truck

"It is especially designed for long distance trucks, but of course can be used on any truck. The heavy marks show when the truck is traveling—blank spaces show when truck is standing still. The attachment is simplicity itself, as the recorder is merely attached to the body of the vehicle by three screws or bolts. The higher up the better but it will record anywhere just so long as it hangs fairly vertical and faces front or back. The side sway of the moving vehicle swings a pendulum on which is mounted a stylus or marker. This stylus scrapes the wax off the chart as shown, so that no ink or pencil is needed."

### Inter-City Move Charted

"The accompanying graph illustrates a trip from Cleveland to Philadelphia and back. On long trips like the one shown only the big stops are important. Yet, on this chart, stops as small as five minutes can be easily distinguished."



A long distance motor truck trip—from Cleveland to Philadelphia and return—as charted by the new Service recorder

# New Eastern Class Rates Favor the Principle of Warehousing

*Pool Car Shipping, Consolidated Carloads and Carloads for Spot stocks Are Encouraged by Tariffs Effective on Nov. 1 East of the Mississippi and North of the Potomac*

By H. A. HARING

NO other decision by the Interstate Commerce Commission has been of such moment to the shipping world as the group of rulings which, announced in the summer, go into effect on Nov. 1. These are known as the "Eastern Class Rate Decisions."

The carriers are under instructions to issue new tariffs and to have them in hands of shippers by Nov. 1, but it appeared likely that the task would be too great and that two or three months' extension would be granted before new tariffs become actually available to the public. The rates, however, were expected to become effective on the announced date.

Information is that the carriers' tariffs, showing the new class rates, are to be issued in agency form and that

each railroad will print "routing guides" to go with the agency issues. This means that it will be a physical impossibility to have the new tariffs printed and distributed on time, on account of the entirely new method of establishing rates which now go into effect.

No change is made in "commodity" rates. But the group of decisions will establish a uniform scale of class rates, for all classes from First to Sixth and including Rules 25 and 26, for application generally for all the territory east of the Mississippi and north of the Potomac. New England is included. The general effect will be to establish all class rates throughout this entire territory on a mileage basis.

CITIES at outlying points will benefit most. For, under present rate structures, distance has been disregarded in making rates. Competition has been the principal factor.

A city on a single railroad, so situated that competing rails cannot carry its freight, has had a high rate, while another town, with two or more railroads fighting for its traffic, has had low rates. For illustration, it is 228 miles from Albany to Rochester but only 161 miles from Albany to Carthage, N. Y. Yet rates to Rochester have been less than those to Carthage. Similarly the rates from Springfield, Mass., to such points as Carthage have not been considered fair, because with a distance of 262 miles the rates have been almost identical with those from Springfield to Pittsburgh, which is 578 miles away. But under the new rates the first-class rate to Carthage will be 36c. under the rate to Pittsburgh, grading down to a differential of 10c. for sixth class.

The new basis for rates makes mileage play a far more important part in the grouping of rates than the present system. Mileages are to be computed over the shortest route for handling carload freight without transfer of the loading. In setting up the rates the I. C. C. has made a list of eighty basing points. These eighty cities are:

## List of 80 Base Points

Albany, N. Y.	Auburn, N. Y.
Allentown, Pa.	Baltimore, Md.
Altoona, Pa.	Bellows Falls, Vt.
Amsterdam, N. Y.	Bethlehem, Pa.

Binghamton, N. Y.  
Boston, Mass.  
Bridgeport, Conn.  
Buffalo, N. Y.  
Camden, N. J.  
Canajoharie, N. Y.  
Carthage, N. Y.  
Chicago, Ill.  
Cincinnati, Ohio  
Cleveland, Ohio  
Columbus, Ohio  
Corning, N. Y.  
Cortland, N. Y.  
Detroit, Mich.  
Easton, Pa.  
Elizabeth, N. J.  
Elmira, N. Y.  
Fall River, Mass.  
Fulton, N. Y.  
Geneva, N. Y.  
Glens Falls, N. Y.  
Harrisburg, Pa.  
Hartford, Conn.  
Ilion, N. Y.  
Indianapolis, Ind.  
Jamestown, N. Y.  
Jersey City, N. J.  
Johnstown, Pa.  
Lancaster, Pa.  
Lawrence, Mass.  
Little Falls, N. Y.  
Lockport, N. Y.  
Lowell, Mass.  
Lynn, Mass.  
Manchester, N. H.  
Newark, N. J.

New Bedford, Mass.  
New Britain, Conn.  
Newburgh, N. Y.  
New Haven, Conn.  
New York, N. Y.  
Ogdensburg, N. Y.  
Oswego, N. Y.  
Passaic, N. J.  
Paterson, N. J.  
Peoria, Ill.  
Philadelphia, Pa.  
Piercesfield, N. Y.  
Pittsburgh, Pa.  
Portland, Me.  
Providence, R. I.  
Reading, Pa.  
Richmond, Va.  
Rochester, N. Y.  
Rome, N. Y.  
St. Louis, Mo.  
Schenectady, N. Y.  
Scranton, Pa.  
Seneca Falls, N. Y.  
Springfield, Mass.  
Syracuse, N. Y.  
Toledo, Ohio  
Trenton, N. J.  
Troy, N. Y.  
Utica, N. Y.  
Waterbury, Conn.  
Wheeling, W. Va.  
Watertown, N. Y.  
Wilkes-Barre, Pa.  
Wilmington, Del.  
Worcester, Mass.  
York, Pa.

Due to the mileage scale of establishing the rates, rather elaborate tables have been compiled for points near these basing points, but as a general thing the rate will not vary more than a few cents from the nearest basing point.

The new rates do not, as already mentioned, alter "commodity rates." The changes, too, for carloads under Fifth and Sixth classes are slight. The great modifications have been in the first six classes—those applying, in general, to less-than-carload traffic, and known as Classes One to Four and Rules 25 and 26. It is for this reason that the new

basis is likely to upset many traffic customs.

In recent years the railroads have complained that less-than-carload freight is a loss to them—expensive handling, many claims for loss and damage, too much way-billing, too many petty items. The new system recognizes this complaint by raising rates for the first six classes. The effect, therefore, is to penalize still further the shipper of less-than-carload lots and to reward the shipper of carload bulks.

The new rates encourage pool-car shipping, consolidated carloads, and, of course, carloads for spot stock.

The new rates, in a word, favor the principle of warehousing. They increase the spread between LCL and CL freights, thus increasing the savings to be made by warehousing the goods.

## Advance Information

A volume called "Comparative Class Rate Book" has been made available before the carriers' tariffs appear. It has been compiled and published by the Stephen D. Rice Traffic Service, Syracuse, N. Y. Containing 183 pages, with a large map of the freight rate territory east of the Mississippi and north of the Potomac its price is \$12.50.

The book meets the urgent demand for some compilation of advance information to enable shippers to estimate what will be the effect of the new rates on distribution of their products. Many distribution plans will be upset. This vol-

ume provides the first step in determining future delivery costs, selling prices and plans for marketing.

The book is loose leaf in form. Only one side of the sheet is used for tables, leaving one side blank for memoranda of changes and for additional information. The rate scales are presented in tabulated form, showing the rates from each of the eighty cities to each one of the other seventy-nine.

The rates, too—for Classes One to Six as well as for Rules 25 and 26—are arranged in such a manner as to show (1) the present rates and also (2) the new rates. Thus instant comparison is given.

The volume gives one bit of information that is not usual with traffic manuals. It is a "comparative" lot of rates. For example: often, when the rate is known from Baltimore to Cleveland, the shipper desires to know the rate, for similar goods, from Albany to Cleveland or from Bridgeport, Conn., to Cleveland. With the "comparative" rate book, as now available, these and similar comparisons are the work of but a moment, for they stand on the next page. The information, furthermore, is made available without going through the tariffs or figuring the rates. This volume gives them in cents per hundred.

The illustration accompanying these pages is a specimen page from the "Comparative Class Rate Book," no better way being possible to give an idea of the

Issued September 1930.

## COMPARATIVE FREIGHT RATES

From ALBANY, N.Y.

From ALBANY, N.Y.	PRESENT CLASS RATES								NEW CLASS RATES							
	1	2	R25	3	R26	4	5	6	1	2	R25-3	R26	4	5	6	
TO																
Albany.....N.Y.	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	
Allentown.....Pa.	66½	56½	48	47½	38	34	28½	25	73	62	51	40	37	26	20	
Altoona.....Pa.	79	68½	58	54½	43½	37½	32	26½	94	80	66	52	47	33	26	
Amsterdam.....N.Y.	31½	27	23	21½	17	16	13	9½	39	33	27	21	20	14	11	
Auburn.....N.Y.	55½	46	39	38	30½	27	22½	18½	69	59	48	38	35	24	19	
Baltimore.....Md.	66½	56½	48	47½	38	34	28½	25	92	78	64	51	46	32	35	
Bellows Falls.....Vt.	56½	51	43½	41½	33	28½	27	25	67	57	47	37	34	23	18	
Bethlehem.....Pa.	66½	56½	48	47½	38	34	28½	25	73	62	51	40	37	26	20	
Binghamton.....N.Y.	56½	47½	43	43	34½	29	24	19½	66	56	46	36	33	23	18	
Boston.....Mass.	63½	54	46	46	37	34½	25	20½	77	65	54	42	39	27	21	
Bridgeport.....Conn.	58½	51	43½	41½	33	32	23	18½	67	57	47	37	34	23	18	
Buffalo.....N.Y.	65	55½	47	46	37	32	27	21½	87	74	61	48	44	30	24	
Camden.....N.J.	66½	56½	48	47½	38	34	28½	25	79	67	55	43	40	28	22	
Cannonsville.....N.Y.	34	27	23	21½	17½	17½	14	11½	46	39	32	25	23	16	13	
Carthage.....N.Y.	69	56½	48	46	37	33½	27	19½	69	59	48	38	35	24	19	
Chicago.....Ill.	113½	99½	84½	75½	63½	54	45	38	139	118	97	76	70	49	38	
Cincinnati.....Ohio	95	83½	71	63½	51	47½	37½	32	132	112	92	73	66	46	36	
Cleveland.....Ohio	79	68½	58	54½	43½	37½	32	26½	105	89	74	58	53	37	29	
Columbus.....Ohio	83½	72	61	56	45	42	32½	27½	120	102	84	66	60	42	33	
Corning.....N.Y.	56½	47½	43	43	34½	29	24	19½	76	65	53	42	38	27	21	
Portland.....N.Y.	56½	47½	43	43	34½	29	24	19½	70	60	49	39	35	25	19	
Detroit.....Mich.	83½	72	61	56	45	42	32½	27½	114	97	80	63	57	40	31	
Easton.....Pa.	66½	56½	48	47½	38	34	28½	25	70	60	49	39	35	25	19	
Elizabeth.....N.J.	58½	50	42½	41½	34	34	28½	22½	67	57	47	37	34	23	18	
Elmira.....N.Y.	56½	47½	43	43	34½	29	24	19½	75	64	53	41	38	26	21	

Specimen page from the Rice "Comparative Class Rate Book"

manner of presentation.

The book is recommended, and highly commended, for every traffic file. It is more than a tariff. It is a summary of rates, compared with other basing points. It is one of those volumes which will quickly become indispensable to anyone

engaged in shipping or receiving freight or to anyone who controls the payment of transportation charges. It may be bought either of the publisher at Syracuse or from the Shipping Service Organization, 25 West 43d Street, New York City.

## I. C. C. Inquiry into Coordinated Motor Vehicle Transportation Will Get Under Way Nov. 17 at First of Seventeen Public Hearings

By STEPHENS RIPPEY

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building

IN announcing a series of hearings starting on Nov. 17 and ending next March and covering the entire country from coast to coast, the Interstate Commerce Commission has got underway in dead earnest its investigation into the coordination of motor bus and truck transportation with rail transportation (Docket 23400).

For more than two months members of the Commission's staff have been going over the questionnaires which, sent out in July to all common carriers subject to the interstate commerce Act, were designed to elicit information that would guide the Commission in its investigation.

The questionnaires (*Distribution & Warehousing*, August, p. 29) were most comprehensive and were expected to yield a veritable mine of information which could be used as a working base. They asked virtually every question imaginable concerning operation of motor vehicles by railroad and boat line common carriers, their financial connections,

number of passengers carried, amount of freight hauled, profits, and a host of other pertinent phases.

Announcement of the dates and places of the hearings was made on Oct. 17. They will be held before Commissioner Ezra Brainerd, Jr., and Examiner Leo J. Flynn. In addition, Examiner A. E. Stephan will act as a sort of prosecuting attorney and will examine witnesses with a view to assisting the Commission in the complete development of facts for the record.

### To Dig for Facts

Mr. Flynn had charge of the Commission's previous investigation of motor vehicle traffic. Mr. Stephan has been engaged in going over the questionnaires which have been returned and in classifying much of the information gleaned from them. Naturally he has a pretty thorough understanding of the motor vehicle situation as revealed by the questionnaires, and he will use this knowledge in his examination of witnesses.

It was made clear that the inquiry is only for the purpose of digging out facts and placing them in one comprehensive

record, so the Commission will know just "what's what" in the realm of motor vehicle traffic.

What effect this investigation will have on the bill introduced by Representative James S. Parker of New York, chairman of the House Committee on Interstate and Foreign Commerce, is not known now. Mr. Parker's bill would place motor busses under the jurisdiction of the Commission in much the same way that railroads now must submit to regulation by the Federal Government.

It is quite likely that Congress will take cognizance of the Commission's investigation and let motor vehicle regulation go over, particularly in view of the fact that the coming session is a short one and will be jammed with important appropriation legislation. However, it was known during the present year that the Commission had started the investigation, yet proponents of the Parker measure pushed it through the House notwithstanding. Possibly the same procedure will be followed this year. That, however, remains to be seen.

The dates and places announced for the hearings follow:

(Concluded on page 49)



# Miami Storage Firm's New Side Line Is Buying and Moving Homes

*Leonard Bros. Storage Co. Develops a Healthy Business of  
Novel Character, with Sales Averaging a Home a Day*

By E. W. SUDLOW

**P**URCHASING, selling and removing ready made homes—here is a new side line for the household goods warehouse industry! And if the idea seems fantastic, be it known that the Leonard Bros. Storage Co., Miami, is already engaging in just that business.

On a ten-acre tract the Florida firm keeps a stock of surplus houses. Customers come and look over the supply, select homes, and give instructions as to where they shall be moved.

When some years ago Miami came into the limelight and began to grow like the famous beanstalk of Jack, many buildings were wrecked to make way for bigger and more

pretentious structures. It costs money to tear down buildings, but at that time there were few if any house movers in the locality, so a building had to be wrecked in order to get it off the lot.

Then the Leonard Bros. Storage Co. bought a complete house-moving equipment, assembled a crew of experienced movers, and started to transfer some of the more desirable buildings. This end of the firm's business grew rapidly and necessitated additional equipment. Many substantial residences and stores were moved, and the removals proved to be a profitable adjunct to the Leonard transfer and storage.

**A**FTER the building boom had somewhat subsided, there was not so much demand for the services of the house-moving crew, and consequently the equipment became more or less of a loss to the company.

While the business section of Miami was fast producing an effective sky-line of attractively tall buildings, the outlying communities also were being built up. Sub-divisions were opened up in every direction, and on many of these several small houses were erected either by the company holding the subdivision or by purchasers of lots who expected the community to grow and thus to provide homes for their families.

Circumstances made it impossible for many of these sub-dividers to complete their plans; transportation was not furnished as had been originally promised; people left the community and returned north because of business conditions. Many were the factors entering into the situation, and many were the small houses left vacant.

During the past summer, when business in the transfer and storage line was unusually quiet in Miami, the Leonard company decided to make their idle house-moving equipment pay a dividend and at the same time give employment to a number of men in the community.

Spotters or buyers were sent out thoroughly to comb the outlying districts. Only well built, one-story houses were desired to begin with. After the property was located, an effort was made to reach the owner. This took time. Often he was a non-resident and had to be found through correspondence.

An offer was made for the property. If the owner wanted to sell for cash, a deal was closed. From \$150 to \$500 cash

**SUGGESTION** that "Now Is the Time to Develop Side Lines" is featured in the October issue of *The Furniture Warehouseman*, official organ of the National Furniture Warehousemen's Association.

First, writes Henry Reimers, Chicago, the National's executive secretary, "side lines should be promoted in order to develop contact for the storage and moving business." Second, he says, "when we find the storage and moving business a little slow is the time to concentrate on the intensive development of side lines."

E. W. Sudlow's article on this page tells how a household goods storage company in Florida is successfully carrying on an unusual side line.

has been paid for practically every house bought. But the owners were more than glad to get this money and to have the buildings removed from the lots. They realized that every year the houses stood unoccupied it meant deterioration and consequent lowering of value.

It is not alone owners of vacant property who are approached, but those who it is known are prepared to erect better buildings on their lots. This information is easily secured through the court house records. Rather than go to the expense of having the old home wrecked, even

though it is possible to use a part of the material in the construction of the new, the owner is apt to prefer to have the building removed from the lot and to start in with all new material.

When a house is purchased by the Leonard company the latter always tries to get a thirty to sixty day time limit for removing it. This enables the firm to locate a customer for the building. Through advertising in the daily papers the public is kept acquainted with the stock of the company. Should a prospective customer come in and be shown the houses on hand and then find nothing quite suitable, his name is placed on file, together with data concerning the type of building he is in the market for; and as soon as one is located which appears to fit his specifications, he is communicated with and shown the property.

There is a waiting list of customers who have left orders for some particular style dwellings that may be purchased at specified prices, and it is the aim of Leonard firm to fill these orders at the earliest date possible.

The customer is shown the property and agrees to purchase. He has his lot ready and the foundation in place. The Miami building code requires that the foundation must be of poured concrete and the house must be securely lashed to these posts or walls by heavy steel bindings. Then the building is moved directly to its new location. Moving the houses through the streets is governed by special ordinances providing for passage over bridges only during the very early hours of the morning and for routing the way carefully so as to avoid traffic-congested streets.

If no customer can be found for a building, then at the expiration of the

time set for removal from the lot, it is taken to the "boneyard." Here as many as eight or ten houses at a time are exhibited to customers. When one is sold it is immediately taken from the lot. Every effort is made to sell the building before it is removed from its original location because of the saving in operating expense.

During June, July, August and September of this year the business has averaged one house moved and sold per day. The high peak was reached the day five were disposed of. As many as eight houses at a time are being moved, and while the majority of them are now located in and around Miami, some have been taken as far distant as twenty-five miles.

T. A. Leonard, vice-president, is in charge of this part of the business, which is handled as a separate unit of the organization. Two men are employed who do nothing but locate houses, and at present twenty-five men are on the payroll of the house-moving department.

At present only frame and frame-stucco houses are being handled, but plans are being made to handle other types of construction.

What was started as an experimental side line in order to build up the transfer business of the firm has now developed into a healthy business by itself, and the prospects are good for a still further development.

### Hauling Gasoline Is Wisconsin Firm's New Side Line



Leich Transfer & Storage Co.'s oil distributing equipment

ANOTHER recent side line is one developed by the Leicht Transfer & Storage Co., Green Bay, Wis. The accompanying illustration shows some of the equipment purchased by the Leicht firm to carry out a contract with the Standard Oil Co. to haul gasoline from the Standard's bulk station in Green Bay to bulk distributing points within a radius of seventy-five miles. Standard moves the gasoline from refinery at Whiting, Ind., to Green Bay in tank ships.

The system in which Leicht is now playing a part is greatly reducing transportation costs as compared with all-rail movement. It is the Standard's first contract of its kind, and it is expected that after further experience in Green Bay the oil company will put the new system into effect at other points.

The present contract is proving profitable for the Green Bay warehouse firm, which had the Grasse-Premier Co. build a special tractor. The trailers are by Fruehauf.

### Building Doctors Operate on Chicago Terminal

THE North Pier Terminal Co., Chicago, one of the units of the National Terminals Corporation, has permitted itself to be operated upon in order that a connecting link might be constructed between the north and south side sections of the new outer drive that skirts Chi-

cago's lake shore. A whole section approximating 82,000 square feet of floor space has been literally hewn out of the building, which, 1620 feet long, stood obstructively in the way just north of the Chicago River.

The cut, 139 feet wide, through the

North Pier Terminal property is to make way for bridges which will span the North Pier slip and the Chicago River. One entire floor of what is now a "Siamese twin" structure had to be sacrificed in order to bring the entrance floors up to the boulevard level. The exterior surfaces of the cut, facing each other from opposite sides of the boulevard, have been veneered with limestone, and floor space fronting on the boulevard has been given over to offices and showrooms. The cost of this reconstruction will be in the neighborhood of \$200,000.

The General Electric Co. has already taken all the space fronting on the west side of the new boulevard, together with

(Concluded on page 47)



(Left) After the "operation" and (below) before it—at the Chicago plant of the North Pier Terminal Co.



# DISTRIBUTION

## Its Economic Relation to Public Warehousing

### Number 68

## Yard Storage—How Organized Thievery Is Developing a New Type of Warehousing

By H. A. HARING

**T**HE nature of yard storage is indicated by the name. It is storage in the open, for goods not subject to weathering. Bulk materials, not particularly subject to weather, are piled out of doors. The pile serves as the warehouse.

To name the more ordinary commodities is to reveal the reasons why outdoor storage is the only practical one.

First in importance are coal, ore and lumber. There are also brick, sand, gravel, crushed stone and other builders' supplies, sewer pipe and conduit, telephone and telegraph poles, rough and sawed stone and marble, cooperage stock, barreled and casked goods of all sorts,

pig iron, steel and iron in all their forms, asphalt and paving material, turpentine and naval stores, with many others of minor importance.

Yard storage, or "ground storage," as it is also named, when conducted by a warehouseman for the property of others, presupposes that the ground is adequately fenced or suitably surrounded by a good inclosure.

Reasonable protection, varying of course with the nature of the goods, must be provided against theft; and, in case of some commodities, against fire as well.

The property, thus enclosed and protected, becomes the basis of warehouse receipts, which are often used for borrowing.

### Recognized in Law

**T**HE law sanctions this mode of storing by public warehouses. As an illustration the statutes of Maryland make this provision:

"That a lot or parcel of land with or without a building or structure thereon, which lot or parcel of land is inclosed with a fence, or otherwise, shall be considered to be a warehouse, if bulky or heavy property be stored thereon."

Throughout all the South, one of the older customs was to issue warehouse receipts for bales of cotton which stood in the yard of the warehouse or on the loading platform; occasionally, even on the street. These receipts did not in any way so describe the location as to indicate that the cotton was not within an enclosure; and, without any question, the laws of a few southern States contemplated such unprotected storage. One of the unwritten laws of the cotton States has always been the well-understood punishment for a thief of a bale of cotton—cotton to the South being about what a horse was to the prairie States, and a cotton thief looked upon as a horse thief was.

These older statutes of the carefree

generation have been largely repealed, although Oklahoma (and possibly two other States) still has an effective law which says:

"Provided, That a public warehouse for the storage of cotton or broom-corn may, within the meaning of this Act, include a lot or parcel of land inclosed within a lawful fence, the gates of which, or entrances to which, shall be securely locked at night."

In the neighboring State of Texas the warehouse department has encountered stubborn resistance on the part of cotton warehousemen who persist in issuing their "warehouse receipts" for bales in the yard, some of which have had no better protection than a few strands of barbed wire. A test case was, about ten years ago, carried to the Courts, where it was ruled that "it is unlawful for a warehouseman to store cotton for hire in any place other than a house, room or building, which protects the same from damage from action of the elements."

In Arkansas, the former law has been repealed. The present law specifically provides that, in order to be a lawful receipt, the cotton receipt must contain

a statement that "said cotton is under shelter and not exposed to the weather" or its equivalent. And, under the Federal Warehouse Act, no receipt may be issued for any commodity not actually within the house. A Federal Warehouse, therefore, is forbidden to give yard or ground storage.

In the Northwest, grain in sacks is occasionally stored in the open by a warehouse and a receipt issued. The favorable weather of that region gives a shade of sanction to this custom, which is closely related to their ordinary method of storing grain. The Federal Reserve Banks do not, however, look with approval upon such informal storing of a perishable commodity, and it is doubtful if receipts of this sort would be eligible for a loan with any bank today. With cotton, too, "warehousing" out-of-doors where the receipt is used for a loan has disappeared. The co-operative marketing organizations will not accept such receipts from members, and the banking groups which finance the cooperatives insist upon evidence that the cotton is under cover.

Yard and ground warehousing, therefore, belong properly to goods of more



# DISTRIBUTION

## Its Economic Relation to Public Warehousing

rugged nature, not to agricultural products. It is for such commodities that we shall consider the matter.

### Organized Pilferage

IN all our cities pilferage has now become an organized way to make a living.

The "river rats" of London gave Charles Dickens a theme to enliven many a page of his novels. They were down-and-outers who eked out a livelihood by rowing along the wharves of the River Thames, hungry, like gulls, to pick up anything afloat or inadvertently left on the dock. They have their counterpart, in America, in every harbor from Portland in Maine to Seattle in Washington and on our inland waterways as well, but those counterparts do not content themselves with goods lost or left behind by others.

The river rats of today ride in launches, with motors silenced and lights well covered, and they come alongside a vessel or a scow or a dock where confederates have piled up a lot of fresh merchandise, abstracted by some underhand method from its rightful owner. Waterfront thievery is a tremendous item in our port cities. It is especially hard to detect because of the silence of water. It is almost impossible to follow because no trail follows the escaping gang. Given two or three minutes of time and a dark night, and they will scuttle behind a dock or an ocean liner and elude a pursuer as effectually as though they had been drowned.

On the land, too, motor trucks have opened a new world of possible tricks and stunts for the thief. Speed in making the approach and speed in the getaway gives an unheard-of opportunity.

Thievery, like racketeering, is organized. Cunning men will plan to steal anything they can sell. A delivery wagon will drive up to an independent druggist and offer a carton of Colgate's soap or Pepsodent at about half price, but only "for cash." If questioned the man will say the goods were bought at an auction and will manage to name a druggist who has gone out of business. If, however, the drug store threatens to telephone the police, it is surprising how quick a getaway is made.

The contractor for a bulkhead job was interrupted by a man who offered a truckload of timbers 12 x 12 x 40 ft., which happened to be just the size wanted for the work. The price named was \$20 a timber, and the explanation given was that they were left-overs from a defunct lumber business not far away. This "story" was apparently confirmed when the contractor came to look over the load—the truck bore the name of the lumber dealer. The \$400 was handed over. Within two hours it was learned that the timbers had been stolen from

his own stock pile, the truck borrowed on a plea of using it to move some household goods, and the thieves already far out of sight.

In Columbus, Ohio, a manufacturer who uses heavy wire received an offer through a broker from Springfield of two carloads at a cut price. After accepting the offer the seller proposed to make delivery by truck, with an adjustment of the freight, explaining that a trucking concern wanted the business.

### Haring Text Is Commended

A RECENT bulletin sent to the members of the Texas Warehouse & Transfermen's Association by the secretary, B. F. Johnson, Fort Worth, said:

"Our members should read the article beginning on page 24 of the August number of *Distribution and Warehousing* devoted to storage in-transit privilege. This splendid article gives some pertinent suggestions as to means whereby our warehousemen can increase their business. The storage in transit privilege is being extended to merchandise such as radios, electric refrigerators, washing machines, etc., and by working with the manufacturers and railroads, new and profitable storage accounts may be secured."

George C. Dintelmann, St. Louis, also called attention to the same text, in a bulletin sent to members of the Missouri Warehousemen's Association, of which Mr. Dintelmann is secretary.

The article was No. 65 of H. A. Haring's "Distribution Series" and was titled "The Storage-in-Transit Privilege: How Its Expansion Will Benefit Shipper, Carrier and Warehouseman."

That looked all right. When delivered, the truckmen were especially good about tying the coils of wire and did a commendable job of nice delivering. Hardly had the last coil been unloaded when the broker appeared, exhibiting a telegram from Pittsburgh with an offer of steel and explaining that he was short of money. He was willing to concede 5 per cent from the price of the two carloads of wire for cash on the spot. He got it. The check was quickly cashed. Need I complete the tale? The broker was a fake; the wire was stolen; the

telegram and the "story" had been manufactured to order.

A coal mine management was known to be in the market for a mining machine, to cost about \$3,500. One morning a truck appeared with a slightly worn machine of just the style wanted. Price: \$1,500; "story": a mine, named of course, a hundred miles away that had closed down, the man making the offer giving as his name that of the distant mine owner. Outcome: check payable to that name; endorsement forged but check cashed quickly; the machine carted from a mine not five miles away.

A lady in Philadelphia was building a six-story apartment house. One day a salesman appeared with an offer of tubs, washstands and toilets for exactly her requirements, at a price that was enticing. At his suggestion she telephoned her plumbing contractor and was told that he would set them up if she bought them direct, for a named fee. She made the purchase and, of course, paid at once—had to, to get the "deal." They were stolen, the following night, from another apartment in the city where the night watchman "fell asleep."

On the third of July, in the mountain region where I live, a truck made the rounds of the soft-drink and roadside stands offering ice cream of a well-known maker at about half the usual price. Of course, the two truckmen did a brisk business, collecting as fast as they could unload. What they offered in explanation made little difference, for, before the owner could follow them up, the ice cream had been sold out in the rush of the Fourth.

Thievery is well organized.

It is told me on what I regard as authority that emissaries of these gangs do nothing else but "make the approach" to truck drivers and watchmen to see how they may be "brought over" for some easy money. For, in getting off with stolen goods, the simplest way is to load them into a truck bearing on its sides some well-known name. Suspicion is thereby lulled. So much trucking is legitimately done at night that it is not overly dangerous to load up at odd hours. Sometimes, with a good name on the truck, the loading is performed during business hours. A bit of the "spoils" in the right place makes easy the way.

I have been told, by two owners of fleets of trucks, that it is an invariable rule with them to paint off the name of their company before trading in a used truck. Why? Three times their discarded trucks have been used to rob their own yards of goods!

One warehouseman whom I know suffered in the same way. One of his old trucks was brought from the truck dealer on time, with only \$50 paid down. It was driven to a factory for which the warehouseman does contract haul-

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ing, quietly loaded up with the first lot of goods on the platform, and the goods quickly sold in a neighboring city. The whole scheme was operated by a ring of thieves who make that their business. This "job," however, led to their conviction because the factory was insured against theft and the loss was theirs, not the warehouseman's.

### "Brokers" as Allies

AS part of the organization of thievery a sales organization has been built up. For, obviously, it is useless to get the goods unless they can be quickly converted into cash.

Performing about what the "fence" does for the thief of jewels, a lot of gentry who style themselves "brokers" do the selling for these gangs. By cleverly passing on the goods from one to another, these men easily establish the "innocent third party" to hold the goods; so that, even if caught red-handed with them in possession, the holder cannot be linked with the theft. Of course, the goods may be impounded and returned to the rightful owner if they can be identified, but the "broker" himself escapes punishment.

Authorities tell me that "brokers" of this character manage to intermingle legitimate business with their nefarious practices in a manner which makes detection difficult. One of them, as an illustration, will bid in a lot of angle iron at a sale, or will buy privately a small quantity. Before disposing of this there will be mixed with it another lot which has been obtained by the gang. Then, when making a sale, the two lots are mixed together so that the lawful lot gives "face" to the unlawful part of the goods.

These men like especially to buy, at auctions or privately, anything which has a name on it—such as a packing case with address of a dealer, a reel of copper wire with a contractor's name on it, structural steel with engineers meaningless marks. By exhibiting these marks, the "broker adds plausibility to his sale at reduced prices. Adroitly, too, they merely allow the purchaser to see the marks, without appearing to call attention to them.

### Broad Coverage

IT is only a few years since the telephone companies quit storing their reels of wire, poles and fixtures "in open lots." Their losses became terrific. Today it is part of the system of these companies to build high fences of matched boards in the rear of their stations and to have a trusted guard at the gate. Until they did this, supplies taken from one town were sold in the next—often to themselves.

Contractors are, possibly, the heaviest losers for the reason that every job must employ many unknown men. Thus it is simple for the gang to spot one of its members where he can do "the necessary thing" at the right moment. So common has become this trafficking in stolen goods that certain things can no longer be marketed. Buyers of certain commodities suspect every offer from anyone but the manufacturers. Thus "railroad iron" has long been refused by dealers in scrap iron; pig copper is almost impossible to sell; there is no market for telephone cable, nor for copper wire of certain specifications; coffee in sacks, unroasted, cannot be sold; raw silk is a suspicious commodity to offer; marble has lost its market.

Yet no one seems to escape. Every factory finds itself "short" an unbelievable quantity of material when the annual inventory is taken—not always such plants, either, as the tire makers for whose product anyone can see a ready market. Tool makers lose not single tools but entire shipments; sugar disappears by the truckload; lumber in untold truckloads.

It is, in fact, for goods stored in the open that protection is most difficult. There was a time when the boiler factories thought nothing of letting a hundred boilers stand in the yard, or the blast furnaces of having thousands of tons of "pig" outside. Oil and asphalt in barrels were once considered "safe," as was also lumber in the yard. Today, with the speed and ease of a motor truck, nothing is "safe," unless it is guarded from access. More and more are fences being built, high and tight, and painted, too, so that a split board or a "knot out" at once catches the eye of the watchman.

The railroads once did much storing on the ground. This was mostly at the ports, where goods are held for weeks at a time.

Iron and steel, for instance, are important in both our import and the export trade. At the ports long strings of cars have been tied up awaiting "sailing day" when the shipment can be cleared. These commodities are not handled on fast passenger steamers but, due to their bulk and shape, move chiefly on tramp steamers, with irregular schedules for clearing the ports. Hence the railroads have formed the habit of releasing their cars by unloading goods which will not deteriorate from weather and which can be handled without injury. Thus railroad equipment may be released without clogging the transit sheds of the port. The goods are stored on the ground.

Both export and import traffic, on through bill-of-lading, is carried under agreements which permit the railroads, at their option, to unload certain speci-

fied articles if iron and steel and similar products rather than to hold them in cars at the port or along our inland waterways.

When thus unloaded they become subject to "ground storage rules and charges." If the allotted free time for holding in cars expires before the vessel arrives, the charge ceases to be for ground storage but is assessed for car demurrage, which is heavier.

Even the railroads, however, have fallen a prey before organized thievery. Pilferage of their ground storage yards has grown so great that they now hesitate to unload the goods, even though permitted to do so. The tariffs protect the carriers somewhat by the provision that such storage is "wholly at the owner's risk as to loss or shrinkage." Another clause of the agreement states:

"In consideration of the low storage rate charged on goods stored in the open, the railroad company will not be responsible for theft, decay or the elements."

But, even with this careful wording, claims are presented and the railroads have had to pay. It is difficult to define the line where negligence enters.

### Enter, Warehousing

THE railroads are turning, therefore, to the professional warehouseman. The bill-of-lading gives the carrier an additional option of storing such goods with a public warehouse, the charges to follow the goods for account of the owner. Their losses have been so bad that they are turning over shipments to warehouses.

One freight traffic manager relates to me:

"A policeman is hired to give protection. If a thief eludes his vigilance or if he's in league with the gang, he may be disciplined, but that's all. He can't be expected to make good the loss. It's the same with our watchmen. We cannot collect from them, even if they have been criminally negligent.

"That's why we like storing in warehouses. What we pay them is more than a watchman costs us, of course. But—there's no loss. If anyone gets away with a coil of copper wire from the warehouse, the warehouse pays. And—the funny thing about it is that no one does get away with it if it's at a warehouse. The warehouses make a business of storing. With us it's a nuisance. I suppose we don't give it enough attention. Whatever's the difference, they make a business of it and do it better than a railroad can."

Probably the real reason is that the warehouseman knows he must pay for the goods if they disappear. Therefore he sees to it that they do not get through the gate. For, even when a warehouse stores out of doors on the vacant land surrounding the house, the

# DISTRIBUTION

## Its Economic Relation to Public Warehousing

same care and attention are given to the goods as though they were inside.

Nearly every warehouse owns unoccupied ground, held for the expansion that will sometime occur. Occasionally a shed has been erected for a "rough storage warehouse" or for "ground storage under roof," by which term is defined a form of warehousing midway between the warehouse and the yard. Into such storage come oils in barrels; compressed gas in cylinders; chemicals in carboys; waste paper and pulp, in some localities; rags either baled or unbaled; and similar semi-hazardous articles.

One warehouseman tells me that he has specialized in contractors' idle equipment. He reports that these men usually hire a vacant lot or an empty barn when a construction job ends and into it pile all the tools and machinery. Unless they hire someone to watch the place, either full time or part time, the protection is worthless; on the other hand, even when a watchman is employed parts of the equipment and small tools have a way of disappearing. The cost to store the equipment with a warehouse where full protection is afforded is greater, of course, but this one warehouseman tells me that he is able to persuade the contractor that in the end he is money ahead by so doing.

### The Cost

ORIGINALLY, storage in the open was offered only by the railroads at the port cities. It has now been extended to inland points by the carriers.

The rates were purposely made low in order to be attractive. Including the handling in and out of store, for articles which will not suffer from weathering, the rates were made appreciably less than car demurrage charges, which are, in the East, \$2 a day for the first four days and \$5 for each succeeding day; and, in the West, \$3 a day straight. The shipper was thus tempted to request that his goods be held "on the ground storage basis" whenever the delay promises to be a long one.

These rates of the railroads, as shown in their tariffs, are usually the following:

"A charge of 55 cents per ton, net or gross as rated, will be made for the first 30 days or fraction thereof, after expiration of stipulated 'free time.' This includes unloading from cars to ground and reloading from ground to cars (or vessel)."

"A charge of 6 cents per ton will be made for each succeeding 30 days or fraction thereof (7 cents for certain railroads at Philadelphia and New York)."

The "articles of iron and steel" mentioned in the tariffs, to which these rates apply, are the following:

Armor, deck or ship plates

Bar  
Billets, blooms and slabs  
Boilers  
Boiler tubes  
Bolts and rivets, in boxes or kegs, when shipped with carload structural steel  
Castings, rough, each 50 lb. or over  
Cross-ties, railroad  
Fastenings for rails (splice bars, bolts, nuts and spikes, in bundles or packages), in straight carloads or in mixed carloads with iron and steel rails  
Forgings, rough, each 50 lb., or over  
Frogs and switches  
Locomotive and car parts, iron, steel or wood, or iron, steel or wood combined, each package or piece to weigh not less than 500 lb.  
Machinery, heavy, loaded in open cars  
Pig iron  
Piling  
Pipe  
Plates  
Poles, telegraph, telephone or electric street railway  
Rails  
Rods in bundles  
Sheet bars  
Skelp  
Spiegel Eisen (Spiegel iron)  
Structural  
Turn tables, K. D.

A few other commodities, not of "iron and steel," are accorded the same favorable rates. Of such commodities the principal ones are:

Cooperage stock  
Stone, rough  
Stone, sawed

Lumber, when similarly stored, is charged at varying rates. Probably \$3 a month or fraction thereof is a fair average, this rate applying not to 1000 B. F. but to each "unit of ground space used," the unit being defined by the tariffs as "300 square feet or less." For lumber the cost of unloading and reloading is added to this rate for storing.

At certain railroad yards in Philadelphia and Baltimore the charge for ground storage is less than the rates given, because those two ports have been pushed by the railroads for exports and imports. Every effort has been made to offer rates lower than New York. For those two cities, the rate is 25-40 cents a ton for an initial period of six months, compared with 30 days elsewhere, and 5 cents a month thereafter.

For property owned by the Government, the tariffs provide a special rate of 50 cents a ton for the first 30 days and 6 cents a ton thereafter, but the Government assumes all risks for damage.

The rates already named are, in general, those of the East. The rates at Seattle, which are approximately those of other Pacific ports are:

Storage on open wharf per month per ton ..... 20 cents  
Storage in yard per month per ton ..... 10 cents.  
Lumber on open wharf per day per 1000 ft. B.M. .... 1 cent.  
Lumber in yard per day per 1000 ft. B.M. .... ½ cent.

The port of Seattle publishes a general rule which seems to prevail for miscellaneous storage of this sort, where the above-named rates would be too high. The rule is:

"Fifty per cent of usual storage rates will be charged on freight, stored, at owner's risk, on open ground other than open dock or dock platforms, but this reduced rate does not apply to molasses or Oriental oils."

These rates, as published by the railroads, are low. They apply, moreover, only to the articles specifically named. They indicate probably the lowest rates to be had for storage in the open. For other commodities at the same ports the prevailing rates are somewhat higher.

Public warehouses, at port cities, necessarily compete with these rates, although it is reported that about 10 per cent additional is to be had on account of the greater liability of the warehouse. The warehouse is collectible for any loss, whatever the cause under ordinary circumstances, and for that reason the service is worth more.

For articles not named on these lists—and for which there is no railroad competition under the tariffs—better rates are obtainable. The rates quoted have been given as a sort of guide in thinking of the cost of storing goods in the open, with reputable warehouses.

### Warehouse Van in Collision

In a collision between an automobile and a motor truck, the latter owned by the Bill Kneeland Motor Express, Inc., Springfield, Mass., three men were burned to death and two men were injured near Metuchen, N. J., on Oct. 10. The injured included John Bjork of Springfield, driver of the van, a seven-ton vehicle.

The sedan and the van came together in a dense fog in the early morning. The vehicles were found a hundred feet apart, overturned and in flames.

### Bridgeport Firm to Build Plant

The Hardware City Storage Co., New Britain, Conn., has announced plans for construction of a seven-story building at 401 State Street, the site of one of the firm's present storage plants. The new building will house machinery for rug shampooing, cleaning automobile upholstery, stuffed furniture and similar articles. The cost will be about \$10,000.



# Occupancy Reported 68.7% on Aug. 31, as Against 67.8% at End of July

**Latest Government Figures Indicate Upturn Following Decline  
of the Depression Period. Tonnage Figures for August Show  
Larger Percentage Entered Storage Than in July**

By KENT B. STILES

## PUBLIC-MERCHANDISE WAREHOUSING July-August, 1930

Division and State	Number of Warehouses		Per Cent of Floor Space Occupied		Tonnage			
					Received During Month	Delivered on Arrival	Received During Month	Delivered on Arrival
	*July 1930	August 1930	*July 1930	August 1930	*July 1930		August 1930	
<b>NEW ENGLAND:</b>								
Mass., Me., Vt. and N. H.	50	50	56.6	58.0	12,717	2,467	13,691	2,098
Conn. and Rhode Island	16	17	53.6	55.1	3,480	2,452	4,056	2,798
<b>MIDDLE ATLANTIC:</b>								
N. Y. Met. District (1)	402	389	64.5	64.5	54,454	2,749	58,709	1,648
Brooklyn	248	242	64.1	62.7	23,587	1,534	10,991	210
Manhattan	72	76	69.8	67.1	14,338	202	23,270	429
Nearby N. J. & all other	82	71	57.0	64.5	16,529	1,013	24,448	1,009
New York	375	376	66.8	65.0	54,396	6,783	46,568	5,420
New Jersey	89	77	58.4	65.7	17,295	1,042	146,226	1,082
Pennsylvania	59	57	66.3	66.5	25,978	3,080	24,447	3,364
<b>E. NORTH CEN.:</b>								
Ohio	47	47	76.6	78.3	17,337	5,198	26,316	5,624
Indiana	31	34	76.9	74.9	4,593	1,792	3,685	1,710
Illinois	63	65	76.8	77.1	50,550	3,606	43,227	4,814
Chicago	42	43	76.5	80.3	25,619	2,479	40,037	4,673
Michigan	57	54	70.7	71.3	15,666	3,062	13,224	3,249
Wisconsin	42	39	63.5	62.0	6,799	2,984	3,621	4,737
<b>W. NOR. CEN.:</b>								
Minnesota	42	57	69.3	70.6	21,899	5,596	19,963	7,189
Minneapolis and St. Paul	28	23	69.0	65.2	20,540	4,619	16,492	5,121
Iowa	32	32	70.3	67.7	9,738	3,729	9,740	5,055
Missouri	40	40	73.3	70.5	12,529	1,921	11,714	1,834
St. Louis	14	14	67.7	68.4	4,564	322	4,575	276
N. Dak. and S. Dak.	19	21	80.7	74.4	4,776	480	3,093	619
Nebraska	26	26	54.3	56.9	10,815	3,150	8,148	3,162
Kansas	15	14	73.5	74.5	5,882	2,603	6,366	2,662
<b>SO. ATLANTIC:</b>								
Del., Md., & Dist. of Col.	35	35	65.6	69.2	13,970	3,708	18,368	3,848
Va. and W. Va.	23	22	74.3	78.3	3,791	1,688	3,369	1,710
N. Car. and S. Car.	15	15	69.1	69.5	2,670	432	2,161	336
Ga. and Florida	30	27	61.6	64.7	4,957	1,853	6,772	4,471
<b>E. SOUTH CEN.:</b>								
Kentucky and Tennessee	13	15	81.8	82.1	13,373	6,435	6,446	1,998
Alabama and Mississippi	16	16	70.7	71.2	2,778	1,119	2,042	1,281
<b>W. SOUTH CEN.:</b>								
Ark., La. and Okla.	42	40	81.1	83.1	30,223	4,585	21,094	4,856
Texas	43	42	59.2	66.8	14,515	6,236	16,243	7,246
<b>MOUNTAIN:</b>								
Idaho, Wyo. and Mont.	16	19	71.5	73.0	936	1,145	1,236	1,076
Ariz., Utah and N. Mex.	26	26	69.5	75.8	3,809	1,345	4,509	1,117
Colorado	20	23	70.4	75.3	1,557	2,779	3,600	3,753
<b>PACIFIC:</b>								
Washington	33	31	64.5	63.9	8,384	11,040	10,021	11,262
Oregon	10	10	68.7	69.2	19,009	12,551	15,517	8,487
California	113	113	70.4	71.4	42,687	5,192	33,597	6,564
<b>Total for United States</b>	<b>1,438</b>	<b>1,440</b>	<b>67.8</b>	<b>68.7</b>	<b>437,109</b>	<b>111,153</b>	<b>529,870</b>	<b>113,421</b>

\*Revised.

(1) Because of the importance of this territory, figures are shown separate from the State totals; this area includes all of the boroughs of New York and adjacent New Jersey territory.

**M**ERCHANDISE warehousing's occupancy curve took a slight upward swing in August, according to the Department of Commerce's latest statistics, made public at Washington on Oct. 21. Space devoted to general storage in 1,440 reporting plants was 68.7 per cent filled on the final day of August, the provisional figures for that month indicate. This compares with 67.8 per cent on the last day of July as reported by two fewer warehouses, and with 70.3 per cent on May 31, and is 8.9 per cent under the record high of last Nov. 30.

The provisional 68.7 per cent for Aug. 31, while 3.2 per cent below the mark reported on the same date last year, is a fraction of one per cent higher than that recorded on Aug. 31 two years ago, as the following shows:

	1928	1929	1930
Aug. 31.....	67.9	71.9	68.7

The tonnage figures in the accompanying table show, provisionally, that out of 643,291 tons arriving at the 1,440 reporting warehouses during August, 529,870 tons, or 82.4 per cent, entered storage, the balance being delivered on arrival. This compares with 79.7 per cent in July, when 437,109 tons went into storage out of 548,262 tons arriving at 1,438 reporting warehouses.

The following comparisons show that the August percentage of 82.4 is higher than the percentages reported for the corresponding month last year and the year before:

	1928	1929	1930
August .....	73.5	75.8	82.4

The August percentage, 82.4, has been exceeded only twice before during this Federal statistical effort—in January and February of 1928, the recorded marks for those two months being 83.3 and 83.6 per cent respectively.

### Occupancy

**T**HE 3.2 per cent average decline in occupancy, for the entire country this past Aug. 31, from the mark on last

year's corresponding date, was not reflected in Massachusetts-Vermont, Michigan, Delaware-Maryland-District of Columbia, the Virginias, the Carolinas, Kentucky-Tennessee, Alabama-Mississippi, Arkansas-Louisiana-Oklahoma, Texas, Arizona-Utah-New Mexico, Colorado and Oregon. The largest gain was in Texas—16.4 per cent.

In the other States, declines are shown. The broadest recession was 30.1 per cent, in Wisconsin.

Gains—this August over August of 1929, and August of 1929 over August of 1928—have been consistent in Massachusetts-Vermont, the Virginias, the Carolinas, Arkansas-Louisiana-Oklahoma, Texas and Colorado.

The following comparisons are available:

	Occupancy—Aug. 31		
	1928	1929	1930
Mass., Me., Vt. & N. H.	52.5*	57.5*	58.0
Conn. & R. I.	54.0	58.7	55.1
N. Y. Met. Dist.	72.5	75.3	64.5
Brooklyn	67.5	71.7	62.7
Manhattan	78.4	74.9	67.1
Nearby N. J.	77.6	82.1	64.5
N. Y. State	70.3	72.1	65.0
N. J. State	77.0	82.3	65.7
Pennsylvania	71.3	70.1	66.5
Ohio	82.1	89.9	78.3
Indiana	71.8	82.2	74.9
Illinois	73.4	86.1	77.1
Chicago	74.3	87.7	80.3
Michigan	72.1	69.0	71.3
Wisconsin	78.5	92.1	62.0
Minnesota	70.4	78.5	70.6
Mpls. & St. P.	67.2	77.4	65.2
Iowa	65.5	68.2	67.7
Missouri	77.1	77.3	70.5
St. Louis	74.5	78.1	68.4
N. & S. Dakota	84.9	92.8	74.4
Nebraska	51.6	64.8	56.9
Kansas	73.2	82.3	74.5
Del., Md., & D. C.	59.3	57.5	69.2
Va. & W. Va.	68.1	70.7	78.3
N. & S. Carolina	59.4	61.6	69.5
Ga. & Fla.	70.0	77.2	64.7
Ky. & Tenn.	76.2	73.7	82.1
Ala. & Miss.	87.1	67.2	71.2
Ark., La. & Okla.	67.8	68.6	83.1
Texas	44.3	50.4	66.8
Ida., Wyo. & Mont.	68.6	74.1	73.0
Ariz., Utah, Nev.	74.9†	78.7†	75.8
Colorado	63.4	69.8	75.3
Washington	55.9	74.8	63.9
Oregon	68.5	67.8	69.2
California	74.8	77.1	71.4
Average for entire U.S.	67.9	71.9	68.7
Warehouses reporting	1213	1226	1440

\*Does not include Maine and New Hampshire.  
†Includes New Mexico.

Comparing the Aug. 31 occupancy percentages on the opposite page with those of July 31, it is disclosed that advance of 0.9 per cent, for the entire country, was reflected in all the States except New York, Indiana, Wisconsin, Iowa, Missouri, the Dakotas and Washington, the greatest gain being 7.6 per cent, in

Texas. The maximum decline was 6.3 per cent, in the Dakotas.

### Tonnage

As already pointed out, the percentage of volume which entered storage in August, out of the total arriving tonnage, was larger in the 1930 month than in August of 1929, the gain being 6.6 per cent, for the entire country. By divisions the comparisons are as follows:

	Percentage Entering Storage—August		
	1928	1929	1930
New England	79.5	72.8	78.4
Middle Atlantic	79.6	85.9	95.6
East North Central	87.0	87.2	81.7
West North Central	71.4	73.4	74.2
South Atlantic	41.8	42.5	74.7
East South Central	78.7	72.5	72.1
West South Central	78.2	79.8	75.5
Mountain	58.5	52.7	61.1
Pacific	69.4	73.7	69.2
Entire country	73.5	75.8	82.4
Warehouses reporting	1213	1226	1440

Comparing this past August's tonnage percentages with those recorded for July, it is found that an advance of 2.7 per cent was reported, for the entire United States. The advance was reflected in four of the divisions, with the Mountain section evidencing the maximum gain, 6.6 per cent. The declines were led by the West North Central group with 4.8 per cent. The comparisons by divisions for the two months follow:

	Percentage Entering Storage—1930		
	July	August	Change
New England	73.2	78.4	+5.2
Middle Atlantic	90.0	95.6	+5.6
East North Central	85.1	81.7	-3.4
West North Central	79.0	74.2	-4.8
South Atlantic	76.5	74.7	-1.8
East South Central	68.1	72.1	+4.0
West South Central	78.5	75.5	-3.0
Mountain	54.5	61.1	+6.6
Pacific	70.9	69.2	-1.7
Entire country	79.7	82.4	+2.7
Warehouses reporting	1438	1440	

### Showing That Comparisons Are Inaccurate Under Our Twelve-Month Calendar

By Meredith N. Stiles\*

ON page 18 of the October issue of *Distribution & Warehousing* are the Government's warehouse storage statistics comparing June and July.

June	30 days
July	31 days
June, 1930	5 Sundays 5 Mondays
July, 1930	4 Sundays 4 Mondays 5 Tuesdays 5 Wednesdays 5 Thursdays

Does anybody move goods into storage on Sundays?

Isn't the best day for this Mondays? As there were five Mondays in June and only four in July, is the comparison a true index?

As there were five Sundays in June, when nothing moved, and only four Sundays in July, is the comparison a true index?

Take out five Sundays from June's thirty days, and you have twenty-five warehouse days. Take out four Sundays from July's thirty-one days, and you have twenty-seven warehouse days. This is a difference of about 6½ per cent.

The figures say:

\*Member of National Committee on Calendar Simplification.

	Tonnage Received (Tons)
July	439,939
June	425,995
Difference	13,944
—or only 3 per cent.	

As true index this a wrong. If average daily receipts were better in July than they were in June, there should have been a much greater increase than 3 per cent in total tonnage, because of July having two more warehouse days. When you come to analyze the figures, daily receipts in July were less than in June.

	Tons
June's 452,995 tonnage divided by 25 warehouse days equals	17,039
July's 439,939 tonnage divided by 27 warehouse days equals	16,294

The statistics tells you that tonnage receipts were better in July than in June, but as a matter of fact they fell off.

Take your floor space for July, 1930—67.2 per cent—the lowest on record with four exceptions, among them being July, 1928, at 67.1 per cent. But July, 1926, has five Mondays, the last day of that month having been a Monday, a good delivery day. As an index of business, the comparison is inaccurate.

Just check this up and see what the calendar does to statistics.

Does the Department of Commerce make adjustments for these calendar-caused deflections?

### Rail Carrier Inroad on Motor Freight Business Is Foreseen by Illinois Commerce Commission

(By Telegraph)

PREDICTING that railroads would within a short time apply for certificates to carry freight by motor truck wherever it was more convenient, Charles W. Hadley, chairman of the Illinois Commerce Commission, warned the Central Warehousemen's Association of Illinois on Oct. 22 that the rail carriers, now carrying passengers by bus to meet coach line competition, would soon be making inroads on the motor freight

line business where they found they could economize on short hauls.

Commissioner Hadley was a speaker at the Illinois association's banquet at a convention at the Pere Marquette Hotel in Peoria. Approximately a hundred storage executives and guests were present.

With E. L. Valentine, Aurora, the president, in the chair, the delegates discussed freight handling, Allied Van Lines policies and other subjects.

### Directory Information

DID you have notarized the Information Sheet you sent for the 1931 Warehouse Directory? If not, ask for its return. Only notarized information will give you a Starred listing—and the Directory consultant gives the Starred listing prior consideration.

# The Validity of Laws Which Regulate Warehousemen

Thirty-fourth of a Series of Legal Articles

By LEO T. PARKER

Attorney-at-Law

IT is well settled that both States and municipalities under the police power have the right to regulate warehousemen to protect the public health, morals, and welfare, subject to the restriction of reasonable classification. The power of law-making bodies to impose restrictions on warehousemen must be exercised, however, in conformity with the United States and State constitutional requirement that such laws must operate *equally* upon all persons pursuing the same business or profession under the same circumstances.

In other words, the constitutionality of a statute or an ordinance cannot be sustained where particular individuals

are subject to peculiar rules or burdens from which others in the same locality or class are exempt. Moreover the validity of the law is determined upon a *reasonable* necessity for its enforcement to protect the health, moral, or general welfare of the people.

For these reasons it is quite apparent that any statute or ordinance is valid and enforceable which is intended to prevent fraud or financial losses to the owners of stored property or subsequent purchasers thereof. This is true although the law requires warehousemen to perform certain additional work, in conducting their business, for which no compensation is forthcoming.

FOR instance, in the recent case of *Danville Warehouse Co. v. Tobacco Growers' Co-op. Ass'n.*, 129 S. E. 739, a law required warehousemen and cooperative marketing associations to keep and permit inspection of the complete records of the names of the owners of stored merchandise, and to place tags on the goods delivered to them, identifying the owners.

Although it was contended that this law violated the provisions of the United States Constitution, the higher Court held the regulation valid, saying:

"From early colonial days and on through the history of the commonwealth it has been the policy of the State to regulate the business of conducting warehouses by legislation; warehouses are affected with a public interest and are subject to public regulation. . . . It is said that the Act violates the Fourth Amendment of the Federal Constitution. . . . We are unable to appreciate this point.

In another case involving a similar law, requiring warehousemen to attach to stored goods the names of its owners, the Court in upholding the validity said:

"That public warehouses are affected with a public interest, and hence subject to regulation, has not been seriously questioned here since the decision of *Munn v. Illinois*, 94 U. S. 113. . . . The statute was adopted to prevent fraud, and, if there had been a universal custom of warehousemen to indulge in such subterfuges whereby frauds were promoted, then it is manifest that the occasion had arisen for the State to intervene to prevent them."

In still another leading case, *Interstate v. Assessor*, 3 S. W. (2d) 949, suit

was filed to compel a warehouseman to comply with a law requiring all warehousemen to maintain complete books of the names of the owners of goods stored in his warehouse, together with their residences.

The counsel for the warehouseman contended that the law was invalid, and introduced testimony showing that keeping these records would result in considerable expenditure without just compensation, and that it was in violation of the United States Constitution. However, the higher Court held the warehouseman bound to supply the records.

In other jurisdictions the Courts have held reasonable laws, which regulate furniture or merchandise transportation businesses, valid because such firms are legal common carriers and the State and the cities therein have authority to regulate common carriers.

For example, in *Lawson v. Connolly*, 141 N. W. 623, a city passed an ordinance originally intended to secure immediate payment for goods transported by motor vehicle transportation firms. The validity of the law was contested by a warehouseman on the grounds that it placed a burden on warehousemen for which no compensation was provided and that it was an unwarranted interference with his business.

This law provided:

"Any public moving van driver shall be entitled to receive the compensation immediately upon the transportation of his load. Each driver shall keep a record of the place from and the place to which he moves the household furniture of any person and the person for whom the same was moved; and on Monday of each week he shall file with

the police commissioner a statement containing every such transaction of the previous week. The blanks shall be furnished free of charge upon applications to the city clerk."

In holding this law valid, the Court said:

"Persons who are engaged in the business for transportation of goods and merchandise within a city are held to be common carriers. A common carrier has been defined as 'one who undertakes for hire or reward to transport the goods of such as choose to employ him from place to place.' The business of a public moving van company clearly comes within this definition, and there can be no question that they carry on their business subject to the rules governing common carriers. The business being public in character, it has been repeatedly held by the Courts that it is subject to reasonable public regulation."

The effect of this decision is important, because the Court clearly approved the validity of laws intended to secure prompt payment of transportation charges for goods transported. Although this law contained an additional provision requiring the drivers to report in detail to the police commissioner, this latter provision may be omitted without effecting the validity of the law requiring prompt payment to warehousemen, and other transportation companies, utilizing motor vehicles as transporting means.

## Authority to Enact

IT has been held on numerous occasions that in the *absence* of a statutory provision a municipality has no right to



enact laws regulating warehousemen unless such laws are necessary for protection of the majority of its inhabitants.

However, under the municipal police power, things which are injurious to the health of the public may be suppressed and prohibited. Therefore any business which is injurious to the public, according to the manner in which it is managed and conducted by its owner, may be controlled by ordinances. For these reasons any reasonable ordinance is valid and enforceable which is intended to protect the people or safeguard property against fire losses.

For instance, in *Hing v. Crowley*, 113 U. S. 703, the Court was called on to consider the validity of an ordinance which prohibited the operation of certain fire hazardous businesses within prescribed limits of the city between 10 p. m. and 6 a. m. on Sunday.

The prescribed district included a section of the city in which the wooden buildings presented an unusual fire hazard. The Court held the ordinance valid and explained that, as the section of the city in question consisted mainly of wooden buildings, the ordinance seemed to be a reasonable regulation made in the exercise of the city's police power.

In still another important case, *Brooks v. Cook*, 276 Pac. 958, it was disclosed that a law authorized the fire marshal to inspect and, in proper cases, to condemn any building which "for want of proper repair, by reason of age, dilapidated condition, or for any other cause or reason, is especially liable to fire," and which "is so situated as to endanger other buildings and property," as a public nuisance.

The roof and rear walls of a warehouse were partially destroyed by fire and, after an inspection of the interior and exterior thereof, the fire marshal served upon the owner a written notice declaring the building a fire hazard and dangerous to surrounding property, and ordered it torn down and removed within twenty days. This notice was ignored by the owner who submitted an offer to repair the building. The fire marshal refused to consider the offer and soon thereafter filed legal action asking the Court to uphold his order that the owner tear down the building.

Several witnesses testified that, by reason of its dilapidated condition, the building was especially liable to fire from outside causes, spontaneous combustion from damp and decay, and the like.

The owner attempted to avoid the fire marshal's order on the contention that a city is without jurisdiction deliberately to compel an owner of property to destroy it, particularly where the building can be repaired and will be no more subject to a fire hazard than it was prior to the fire which partly destroyed it.

However, it is interesting to observe that the Court upheld the fire marshal's order and compelled the owner to tear down the building, stating the following important law:

"Measures for the protection of life

and property against fire hazards fall within the police power of the State, which power may either be exercised by the State through proper machinery or delegated for local administration to cities or towns. . . . The functions of local self-government are dual in their nature, including two classes of powers, two classes of rights, and two classes of duties: the one governmental, political, and public, as an agency of the State; the other proprietary, private and semi-private, or merely municipal, exercised purely for its own benefit. . . . Proper protection from loss of life or property by fire is a matter of vital interest to the public at large."

### Unreasonableness

OBVIOUSLY a city ordinance is void if by its terms the businesses effected are not clearly defined. Moreover the same result is produced if the

### Next Month

The warehouseman's liability for damage to merchandise will be discussed by Mr. Parker in his next article, to appear in the December issue. Household goods and merchandise storage executives will be equally interested in the text which touches on the common carrier as an insurer; increase in liability; time when responsibility begins; facts necessary to prove absence of negligence; the warehousemen's duties, and other fundamentals.

law is discriminatory or places unnecessary burdens upon those effected by it.

For illustration, in *City of Shreveport v. Schultz*, 98 So. 411, a city ordinance was enacted which made it an offense to own or conduct a junk business or to possess any junk within a designated district unless the junk be kept in a brick building.

In holding this law void, the Court said:

"It is manifest from the language of the ordinance that it was enacted under pretense of lessening the fire hazard—that is, under pretense of exercising the police power to promote public safety. But the ordinance is not a proper exercise of the police power in that respect, because the discrimination against junk dealers is arbitrary. Their stock in trade is not more combustible or inflammable—in fact, it is much less so—than the merchandise of many other classes of merchants."

Generally speaking, the higher Courts will not hold a city ordinance void on the grounds that the city charter does not authorize the council to pass the ordinance, unless it is proved conclusively that the charter provisions were violated.

For instance, in *Wagner v. City of St. Louis*, 224 S. W. 413, a city enacted an ordinance, as follows:

"It shall be the duty of all persons, firms, or corporations, owning or operating any moving van, who shall haul any article of household goods, from one location to another within the city . . . to notify the city register of the city within ten days after such removal, of the name of such person, firm or corporation owning; or having the custody, possession, and control of such property, the street address or location from and to which such property was removed, a brief, general description of the property removed, the date of such removal, and the name and address of the person, firm or corporation, owning or operating vehicles used in such transportation."

It was contended that this law is invalid because the city charter does not authorize such a law. The charter provides that the city has power:

"To define and prohibit, abate, suppress and prevent or license and regulate all acts, practices, conduct, business, uses of property and all other things whatsoever detrimental . . . to the inhabitants of the city."

Although the enforcement of this ordinance importantly increased the clerical work, responsibility and expense of operating moving vans, the higher Court held the law valid, stating the following important law:

"Where an ordinance is legally passed with due authority under the organic law of the State and city, the Courts will not declare it unreasonable, unless no difference of opinion can exist upon the question. A clear case must be made to authorize the Courts to interfere on that ground. . . . It cannot be presumed that the city was ignorant of its charter powers, or that it deliberately intended to violate the organic law of the State or city."

### Sidewalk Regulation

THE law is well settled that a city ordinance is valid which is intended to prohibit obstruction of the sidewalks, providing such law is not discriminatory. On the other hand, an ordinance of this nature is void if by its strict enforcement, the apparent object of the law is not substantially accomplished.

For example, in *City of Xenia v. Schmidt*, 12 Ohio App. 359, it was disclosed that a city enacted an ordinance making it unlawful to deposit upon any street, alley, sidewalk, etc., "any wood, coal, box, barrel, crate, cask, keg, casting, lumber, goods, wares, furniture, merchandise or any other material or obstruction whatsoever unless for such reasonable time as may be actually necessary for receiving or discharging the same from store building or other place." However, the ordinance did not prohibit use of certain permanent obstructions, such as permanent steps, or approaches to buildings, balconies, bay windows, and the like.

Therefore, as this ordinance was not uniform in its application, for the purpose of eliminating obstructions on the sidewalks, the higher Court held the law invalid, saying:

"We are in thorough accord with the sentiment expressed by the city solicitor

that a city can be beautified to a great extent by clearing its sidewalks of obstructions, and are prepared to assist the solicitor in this respect to the extent which we may be authorized by law; but, from an examination of the authorities we are of opinion that this purpose must be accomplished by ordinances which are of *uniform operation* and which contain no unreasonable discriminations. . . . We are unable to see any good reason for prohibiting temporary obstructions and at the same time legalizing many obstructions of a permanent nature."

Still another important point of the law relating to street obstruction involves the right of the drivers of warehouse motor trucks to park their vehicles in restricted districts while unloading.

It is important to know that various Courts have held that the primary use of the streets is for purposes of travel, and while the paramount right to the use of a street is in the public, yet such right is *not* an absolute right at all times but is subject to such incidental and temporary obstruction of the street by vehicles as necessity may require.

Therefore the owners of warehouses bordering on streets have the right to make reasonable use of the adjacent streets, providing such use is *not* inconsistent with the paramount right of the public.

For illustration, the delivery of merchandise and other articles at business houses is a necessary incident to the use of a public street. The law recognizes that streets of a city would be of comparatively little use if warehousemen and merchants were not permitted to deposit their goods thereon temporarily, or if vehicles used to transport such goods could not stand on the street in front of the stores into which delivery is being made.

Therefore the law is well established that a warehouseman may use and temporarily obstruct the street and sidewalk in front of his premises and his customers' property for loading and unloading goods, providing he does not unnecessarily or unreasonably interfere with the public travel, and all laws contrary to this principle are invalid.

For instance, in *Haggenjos v. Chicago*, 168 N. E. 661, the validity of a city ordinance was contested which provides that no person should permit a vehicle

to stand on any public street or alley, within a prescribed congested district of about seventy-two square blocks, between the hours of 7 o'clock in the morning and 6.30 in the evening, except on Sundays, certain holidays, and on Saturdays after 3 o'clock in the afternoon. An attempt was made to enact a valid law by including a provision that the ordinance should not apply to ambulances or emergency vehicles of the city, the Federal Government, or the county, or to public utilities while the operator of any public utility vehicle was engaged in the necessary performance of emergency duties.

A motor vehicle driver violated this ordinance by leaving his automobile standing on a street in front of the entrance to a building while he attended to necessary business. He was arrested for a violation of the ordinance. Upon a trial by jury in the municipal Court he was found guilty and was fined \$5, and he appealed to the higher Court.

The higher Court reversed the lower Court's decision and held this ordinance invalid and unenforceable, stating important law as follows:

"There can be no doubt about the power of a municipality to control travel upon its streets. Such regulations, on account of the crowded condition of the streets, are a necessity for the safety and welfare of the public as well as the convenience of the travelers. . . . Without a regulation of traffic and of parking vehicles, the use of congested streets would become dangerous, if not impossible. Parked vehicles, occupying both sides of the street, constitute obstructions to travel, and seriously reduce the capacity of the streets for use by ordinary street traffic in the usual way. . . . The question for determination, therefore, is whether the prohibition of standing vehicles on the streets throughout this territory, whose dimensions are said to be eight blocks by nine—that is, we may presume, more than a half mile in each direction—during the whole of every business day, was reasonable or not. Ordinances prohibiting the parking of vehicles in certain restricted localities between certain hours, or at all times, or limiting the parking privilege to an hour, to 30 minutes, to 20 minutes, are common, and have been sustained. . . . It might have been a reasonable exercise of power by the council to restrict the right to stand on

the streets to a short time, or to prevent it altogether at certain hours and in certain parts of the territory, but it was not a reasonable exercise of the power to prohibit the standing of any vehicle on the streets for any purpose, or for any time, so as to prohibit throughout all the business hours of every business day the free use of the streets, in a reasonable way, to the people within the territory mentioned, and those desiring to transact business with them, to have reasonable and convenient access by automobile to the various parts of the territory described in the ordinance for the transaction of business and the receipt and delivery of goods in the ordinary way."

### Blocking Streets

WHILE it is well settled that the primary purpose of city streets is use by the public for travel and transportation, the general rule is that any obstruction of a street or encroachment thereon which interferes with such use is a public nuisance.

Obviously, a warehouseman may temporarily use a portion of the street or highway for taking goods or merchandise in or out of his premises. However, such use of the streets must be reasonable and temporary. If a pedestrian is injured, while walking in the street around an obstructed part of the sidewalk, the warehouseman is liable. Moreover, the fact that municipal officials have issued a permit to block the sidewalk does not avoid the liability.

For example, in *O'Neill v. City of Port Jervis*, 171 N. E. 694, it was disclosed that a person obtained a permit from the municipal officials to pile materials on the sidewalk, resulting in necessity for pedestrians to walk in the street at this point. A pedestrian, who was struck by an automobile while walking in the street around the pile of material, sued for damages.

Although the lower Court held the injured person not entitled to damages, the higher Court reversed the verdict, stating the following important law:

"In the usual and customary way of doing such work, would not the owner have provided some sort of footpath. . . . There was no necessity for storing material upon the sidewalk to the exclusion of all use by pedestrians for any great length of time."

### California Finds That Warehousing Helps the State's Financing

BONDED warehouses are playing an increasingly important role in the economical financing, processing and distribution of commodities, according to a statement issued by the California Department of Agriculture on Sept. 30. The service rendered by such storage places was comparable to that given by Federal and State chartered banking houses, says the statement, which reads:

"Huge stores of California produce are piling high in the State's most curious system of 'banks'—the 167

bonded warehouses licensed by the Department of Agriculture.

"Held in larger volume at this time of the year, storable, wealth valued at millions of dollars is warehouse bound. And while its actual sale to the consuming public may be months away, it literally becomes 'money in the bank' for immediate use as soon as receipts for its delivery are issued.

"Operating without marble counters and ornamental grilles, and displaying neither piles of currency nor stacks of

coin, the bonded warehouses of the State are to be counted as among the State's towers of financial strength. Their bonds on file with the Department approximate \$1,000,000.

"Bonded warehouse receipts are readily negotiable collateral and help to keep the State's wealth in circulation. Bonded warehouse service is comparable to that rendered by Federal and State chartered banking houses.

"Growth of the system has been rapid  
(Concluded on page 48)

# HOW'S BUSINESS? GOING TO BE THIS MONTH

CHARTED BY UNITED BUSINESS PUBLISHERS, Inc.

**T**HIRTY-FOUR ECONOMIC EXPERTS—EDITORS OF BUSINESS PAPERS PUBLISHED BY THE United Business Publishers, Inc.—HERE PRESENT A COMBINED OPINION ABOUT THE COURSE OF BUSINESS DURING THE MONTH OF NOVEMBER. GOVERNMENT AND OTHER RECORDS PROVIDE YOU WITH HISTORY OF RECENT MONTHS. THIS BOARD OF EXPERTS DEALS ONLY WITH THE FUTURE. ITS OPINIONS ARE BASED ON CLOSE CONTACT WITH THE MORE THAN 400,000 SUBSCRIBERS REACHED BY THEIR PUBLICATIONS IN FAR-FLUNG FIELDS OF RETAILING AND INDUSTRY.

**S**TEEL, and its immediate parent, pig iron, have long been looked to as dependable indices of fundamental business conditions. In seven recessions and recoveries, plotted since 1893, there is a striking similarity in the tendencies of the curves, and encouragement in the fact that the present recession is the least severe of any shown.

In the six completed cycles, the average length of recovery has been fifteen months. Reckoning from the bottom of last December, we now stand eleven months along the way, focusing upon next March.

Contributing factors, however, alter

cases. Commodity speculation and money stringency which have complicated in several instances in the past are at present lacking. On the other hand, world depression and unrest lean heavily upon present confidence.

And confidence is most essential at the moment. Confidence that would prompt the decision to increase the existing narrow margin of stocks, not only in steel, but in most other manufactured commodities as well, would undoubtedly go a long way toward putting the glow back into the pale cheeks of the industrial situation.

November's forecast:

## THE COURSE OF BUSINESS FORECAST FOR NOVEMBER

BUSINESS	SALES	RETAIL STOCKS	COLLECTIONS	COMMENTS
AUTOMOTIVE	Passenger cars 20 to 25% less, and trucks 25 to 30% less in November than in October. Both lines 30 to 35% less than Nov., '29.	Stocks will continue about the same in November as in October, but considerably under Nov., '29.	Collections about the same in November as in October and better than Nov., '29.	Dealer stocks at a minimum, and better collections are the two bright spots in the automotive sales picture.
DEPARTMENT STORES	Increase of 5% over October, but about 7% behind Nov., '29.	About the same in November as in October, but 10% behind Nov., '29.	Same as October, and much slower than Nov., '29, but marked change from a month or two ago.	Expenses have not been cut in proportion to money intake. Profit prospects not especially bright.
HARDWARE	Should show normal seasonal increase particularly in Christmas merchandise and close to sales in Nov., '29.	Should be considerably heavier due to addition of holiday stocks—but slightly less than Nov., '29.	Should show steady improvement in Nov., but what lighter than Nov., '29.	Wholesalers rather freely predict final quarter of 1930 will equal same three months in 1929.
INSURANCE	Life less in Nov. than in Oct., but ahead of Nov., '29. Fire and casualty probably less than Oct., and slightly behind Nov., '29.	.....	Normal in all lines due to special effort to keep agency balances favorable.	Fire and casualty fields characterized by cautious underwriting. Every effort being made to keep collections well in hand.
JEWELRY	Anticipated improvement in Nov. as compared with Oct.—but less than Nov., '29.	Will increase in Nov., but lighter than in Nov., '29.	Sectional reports fluctuate from "much better" to "much lighter" than Nov., '29. Improvement over Oct. anticipated.	Christmas trade, which comprises about one-third the year's business should force sales up in Nov.
MACHINERY METAL PRODUCTS METALS	Anticipated Fall improvement in steel business has not materialized. Production declines and price recessions cloud the outlook for the remainder of the year.	.....	.....	Except for annual rail buying movement there are no prospects for large volume of steel business this Fall.
PETROLEUM (Gasoline)	Estimated decrease of 0.6% in Nov. as compared with Oct., with increase of 5% over Nov., '29.	Estimated increase of 6% in Nov. as compared with Oct., with increase of 20.5% over Nov., '29.	.....	Gasoline consumption is still averaging over 1,110,000 bbls. a day.
PLUMBING AND HEATING	Expected to show increase over Oct. despite downward seasonal trend. Equal or better than Nov., '29.	About same in Nov. as in Oct., but lower than Nov., '29.	On a par with, or slightly better than Nov., '29.	Loan money now available for small borrower is aiding plumbing and heating industry.
SHOES	Retailers now enjoying six best selling weeks of the fall season, with present expectations of equalling sales in Nov., '29.	Slight increase of stocks in Nov. over Oct., but 10% lighter than Nov., '29.	Collections are steadier. More shoes sold on a cash basis.	Raw leather stocks increasing, giving tanners better selection which will result in better shoes at lower prices.



H. A. Haring's

# New Business for Warehouses

No. 60

## Storage of the New "Dollar" Books

**I**N the late spring of 1930 the publishers of books were agog over the "dollar" book. On a single morning three publishers announced a new price level for books, both fiction and non-fiction. They told of intentions to issue books which had retailed for prices from \$2.50 to \$5 for a uniform price of a dollar.

For a few weeks the air of publishers' offices was blue with charges and counter accusations, one party contending that it couldn't be done without ruin while the opposing camp just kept on announcing that they were going to do it.

And they have done it. The fact is, within eight months, that the "dollar" book has become only a sort of symbol of the change in publishing, for we have actually the 75-cent book not as a cut from the dollar price, but as the list price for nearly a score of publishers.

Publishers of established reputation first undertook the "dollar" book. A few others have followed, and many others are hesitating. The revolution in book publishing has, however, come from an unexpected quarter. The thought of "dollar" books has brought a new world of com-

petitors. New concerns have set themselves up as "publishers," particularly in New York City, which is the book publishing center of America.

Hitherto book publishing has been a dignified, rather risky, business that sought out worth while books. Pretty high ideals prevailed; publishers were of literary tastes; they issued hundreds of fine books at a price of \$3-\$5, for which they never had a hope of breaking even—doing it for "the reputation of the house" as a publisher of choice titles.

One or two publishers have arisen the past ten years who seize popular titles and push the sale into hundreds of thousands of copies by wild advertising and pressure salesmanship, making big profits for themselves and for the fortunate authors, but, within the inner circle of the business these newcomers have been looked upon as mavericks or outcasts. It was known that they were making money, but not by accepted methods.

During one brief summer, however, the "dollar" book has upset everything.

**M**Y surprise was great, one day in August, while chatting with a publisher, to have him tell me that his firm is shipping "dollar" books to warehouses. Quickly he convinced me by calling for copies of their orders and I saw familiar names of warehouses all over the country, as I fingered through the pile of yellow sheets.

This particular publisher has offices, for selling, in five or six cities, with stock rooms attached to each. But here, in my hand, were by actual count forty-seven consignments to public warehouses (not to that number of houses but that number of shipments, going, I would guess, to about thirty warehouses in all).

Then he told me that the revolution of "dollar" books had altered completely the whole scheme of marketing their product.

"Our outlets," he stated, "were book stores. We reached the big ones direct and the little ones through jobbers. But in less than one year outlets for books have multiplied seven or eight times in number. Now we sell books through drug stores and cigar counters, department store basements and corner news stands. Even the cafeterias handle books in some cities!

"Our jobbers don't know these dealers. Most of them are little fellows, too, without credit standing. They don't know a good book from trash. And they don't care! A book, to them, is a

thing to sell and make a profit. If a boy comes in for fifteen cents' worth of cigarettes and buys a seventy-five cent book, it's the same to the dealer as if he bought a Gillette or a box of candy. It's the cash he rings up that interests the dealer.

"That's compelled us to learn a new bag of tricks selling books."

And, as one trick from this bagfull, spot stocks have become a necessity!

Therein lies another source of new business for the warehouses!

Before the present year anyone wanting a book went to a recognized book store. If what he wanted was not in stock—as so often it was not—it was "ordered" for him. It arrived in a few days and was delivered. Book buying was a leisurely thing, because a book was an article of leisure.

With the "dollar" book, on the contrary, "books are like cigarettes," as explained by another publisher with whom I have talked.

"They buy them because they see them," he goes on to say. "A gaudy jacket, or a good blurb, or a suggestion of shady sex interest, pulls a dollar out of the pocket. One minute before there was no thought of buying a book. Book buying has become impulse buying, not a bit different from all the stuff on the counter at Woolworth's."

Such a thing, therefore, as "ordering" one of the "dollar" books is impossible.

If the dealer has it on display a sale is possible. The moment the stock is exhausted that particular title is off the boards. Therefore, for any book that sells well, the dealer wants more copies and he does not want anything else.

With tooth paste, one brand may do the work as well as another. Substitution is possible. With books, such a thing is out of the question.

In this manner the new "dollar" books have come to be a commodity for warehousing. They go to unexpected centers.

Wherever a publisher makes contact with a few independent drug stores which know how to merchandise their book counter, he finds that neighboring cigar counters put in books. Other small dealers follow. These outlets may venture at first only half a dozen copies of a new title. Sometimes these will be sold the first evening. Then comes a telephone call for more; and, if a stock is close at hand, a book may sell several hundred copies within an area of a few city blocks within a week.

Such volume, for books, was unknown. That is, until 1930. For a book, under the old method, to attain sales of two or three thousand in the whole country the first year marked it as a success. Five thousand copies gave promise of yet bigger sales, but those sales were a matter of slow growth, except of course for best-sellers in fiction with their forcing of the market.

This year, however, book after book of the new "dollar" group has sold that number of copies in towns never before "on the map" with the publishers.

### In the Warehouse

THESE books do not arrive in a car-load. That is still a pretty big shipment for books. They do, of course, go out in pool cars to the principal cities; but, to the ordinary warehouse, they come in packing cases.

It has always been the custom of publishers to pack books in cases, each volume in a paper wrapping. This year the carton has become necessary, holding ten volumes or a dozen of a single title.

Not all publishers have adopted the carton. Those who have not, wrap each book in plain paper, with the name printed on the end. Sometimes this is imprinted with a rubber stamp. The name, in the manner, corresponds to the size or model or color of other merchandise. It must, of course, be carefully observed and followed by the warehouseman in distributing the goods.

Books in the warehouse mean nothing, or close to it, for storing. The bulk is small and the total space hardly anything at all. But books do bring into demand all the other services of the warehouse.

The packing case must be broken up into endless small lots, to be billed out and delivered in the usual manner—remembering, all the time, that the packages are tiny and that "bicycle messenger" speed is sometimes required. Fortunately the commodity is one which

readily stands these costs of special service.

### Danger Spots

THE publisher who showed me his many warehouse shipments added a word of caution. Possibly what he said grew out of trade jealousy. It is, just the same, passed on for what it may be worth.

"These mushroom publishers of cheap books are a sharp lot. Not all of them, of course. But the glitter has brought in a lot of shady fellows who hesitate at nothing to turn a dollar."

Replying to my questions, he suggested this:

"They may short-count the shipment. If a warehouse opens up a case of books, have them check the number and the titles. Then watch their C. O. D. deliveries from stock. Most of the new outlets are poor credits and we have to sell them for cash. Any warehouse which neglects to make the collection, after being instructed to get the money, may as well write a check for the loss."

Stock records become unusually important in handling books through the warehouse, because books are one of those troublesome small items handled in broken lots. A book, too, is easily slipped into the pocket or beneath the blouse of an employee.

Examination of the condition of the packing case, upon receipt, is especially important.

Proper packing demands a waterproof box, with tight joints and no open cracks. Inside packing should include

several thicknesses of soft paper to absorb moisture. Newspapers are ordinarily used. Often some sort of "oiled" paper is used for inside packing, and I am told by publishers that this sometimes proves to be deceptive as to safety.

If a box is exposed to rain, even for a few minutes on a truck or on the loading platform, the water may get through a crack. Inside the case the "oiled" paper prevents this from reaching the books directly. But the "oiled" paper does not absorb the water. Instead it will trickle along the inside, and, if the box happens to lie just right, the water may find the fold of this "oiled" paper, and there get through to the books. Thus a row of books may be damaged on a side of the case opposite to where the outside shows water marks. This becomes "concealed damage" and is difficult to adjust.

Cases of books, for these reasons, should have very careful examination for evidence of having been exposed to weather in transit. The slightest hint of water or any stain or discoloration should be noted on the acknowledgment and also reported to the carrier.

### File Your Name!

THE publishers of "dollar" books are a potential field of new business for the warehouses. It may be wise to get your name and printed matter and full information of available services on file with their sales departments, against the day when they may want to make a warehousing connection in a hurry.

## Attracting Storage by Telling Warehousing's Story to Groups of Business Executives

By K. F. KEITH

"COMBINE business with pleasure" is the motto of Howard F. Buescher, manager of the Rogers Park branch of Hebard Storage Warehouses, Chicago, who has evolved a clever way to get free publicity and advertising. The idea originated one day recently. According to Mr. Buescher:

"I was informed that I was expected to make a speech at the next weekly luncheon meeting of the local Kiwanis Club, of which I am a member.

"No subject was specified, so I decided to speak on 'Storage and moving,' making specific illustration out of our own warehouse system, and thus gain favorable publicity among not only the members of the club but also in the local community newspaper. I was sure that few of the other business men of the club had a really definite idea about the storage and warehousing field, and subsequent events proved the truth of this assumption.

"So I set to work, and with information gained from several books purchased from *Distribution and Warehousing*, I built up a story, a brief outline of which follows:

"Opening: romantic history of storage business—recorded history shows warehouses existed in Babylonian time—Egypt had them, etc.—household goods warehousing in U. S. A. has no parallel—unsurpassed in security, convenience and equipment.

"Origin of household goods warehouses: fifty years ago, not a single fireproof warehouse in the U. S. A.—formerly livery stables, furniture dealers stored goods in lofts—Hebard built first warehouse 56 years ago—today more than 1000 fireproof depositories—question of safety of warehouseman.

### Other Features

"Cause of people storing: deaths—vacations—gone to other cities, etc.

"Word picture of immense job: prospective customer phones (experienced estimator-salesman calls, explains service)—books job—moved in—checked in—ordinary goods on packing floor—upholstered goods, fumigated and packed—building explained.

"Moving department: fine vans—uniformed men—equipment—how goods are transferred, house to house, house to

warehouse or across continent—other interesting facts.

"Shipping: city to city—foreign shipments.

"Close: invitation to visit warehouse.

"The very next day after I had given my talk a prominent physician, also a club member, called me up and told me that I had solved a problem for him. For some months he had had a large X-ray machine on his hands, and had been wondering how or what to do with it. It is now in storage with us.

"Since that time I have had many comments from men who heard the talk. They tell me they had had no idea how interesting was the warehouse business. And many have placed their storage and moving entirely in our hands.

"I consider this publicity very successful, and in the future intend to give further talks along the same lines at other clubs to which I belong."

There is much merit in Mr. Buescher's idea, and any progressive warehouse manager can easily give his own business a boost in front of his local Rotary, Lions, Kiwanis or any other organization.

# FROM THE LEGAL VIEWPOINT

By  
**Leo T. Parker**

Recently the higher Courts have rendered several important decisions on various phases of the law relating to motor trucks. Therefore I review this month the cause and outcome of these controversies and explain the general established law on the points involved.

## Motor Tax Law Is Held Void

**I**NASMUCH as it is well established that double taxation is invalid, any law is void by the terms of which owners of motor trucks are subject to payment of vehicle taxes in addition to taxes paid on the basis of "gross income." So held the higher Court in *Railway Express Agency v. Holm*, 230 N. W. 815.

The facts of this case are that transportation companies and other corporations paying the *gross earnings* tax required by law "in lieu of all taxes upon its property" did not directly contribute to the fund out of which the highway system is maintained, though they used the highways with other motor vehicles. The Legislature was not satisfied and enacted the following law:

"Motor vehicles using the public highways of this State and owned by companies whose property in this State is taxed on the basis of gross earnings shall be registered and taxed as provided for the registration and taxation of motor vehicles."

Various owners of motor trucks contested the validity of the statute because it did not permit the motor truck owners to apply to the tax on "gross income" the amount required to be paid under the new law.

In upholding this contention and declaring the law invalid, the Court stated the following important law:

"The gross earnings tax is inconsistent with any other form of taxation. . . . But upon principle and reason we believe such tax always contemplated all property used in the particular business. Plaintiffs' motor vehicles are used exclusively in its business. If our conception of the gross earnings tax is the true one, such tax is necessarily a tax upon plaintiffs' motor vehicles. If so, the imposition of the motor registration tax by virtue of the law of 1929 subjects them to two taxes. We so construe the law. . . . Our motor vehicle tax is both a property and a privilege tax. These elements are inseparable. The presence of the element of privilege tax which arises out of a great highway system bene-

ficial to the owner of every motor vehicle using the same is worthy of consideration. Such motor vehicles stand in a class by themselves. But the law of 1929 does not provide that plaintiffs be given credit on the gross earnings tax for the amount to be paid as a motor registration tax."

## Distinction Between Private and Common

**T**HE law recognizes two classes of carriers—private carriers and common carriers. All persons who undertake for hire to carry the goods for another belong to one or the other of these classes. A private carrier is not bound

## Your Legal Problems

**MR. PARKER** answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

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to carry for any reason, unless it enters into a special agreement to do so, whereas a common carrier is bound to carry for *all who offer such goods* as it is accustomed to carry and tender reasonable compensation for carrying them.

A common carrier is not only one who holds itself out as engaged in the business for the public, but it is required to carry for all who offer their goods. It is a public service and is therefore subject to regulation. A private carrier does not hold itself out as engaged in the business for the public and is therefore not subject to regulation as a common carrier.

For instance, in *Jones v. Ferguson*, 27 S. W. (2d) 96, it was disclosed that a man named Ferguson holds a license certificate to operate a freight transportation line between two cities. Another person named Jones bought a truck for the purpose of hauling freight on the same route. He applied to the railroad commission for a license and his request was denied. He had paid \$400 or \$500 on the truck before his request was denied and concluded that he could not pay for the truck. He took it back to the

seller, expecting to lose what he had paid. Ten merchants paid for the truck and entered into a contract with Jones to haul freight for them between the two cities and they agreed to pay him the regular schedule rates being charged by truck lines, so long as Jones would haul only and exclusively for them and not haul for the general public. Jones accepted these conditions and agreed to haul freight for the parties signing the contract, and agreed that he would not haul for the public. Several witnesses testified about the contract, and the evidence showed that Jones hauled freight for the persons with whom he contracted, and refused to haul freight for any other persons, and did not hold himself out to the public as a common carrier.

In holding Jones rightfully entitled to haul for these ten citizens, the Court said:

"The only question for our consideration is whether Jones was a public carrier or a private carrier. . . . A common carrier is one that holds itself out as ready to engage in the transportation of goods for hire as a public employment and not as a casual occupation. . . . The undisputed evidence in the instant case shows that appellant did not hold himself out to the public as ready to undertake for hire the transportation of goods or passengers. His general business is not with the public; he does not solicit customers from the general public, and, therefore, he does not come within the regulatory provisions of the statutes. . . . Since the appellant [Jones] in this case does not solicit business from the public, does not hold himself out as ready to serve the public, and refuses to accept freight, as the undisputed evidence shows, from the public, he is not a common carrier but a private carrier."

## Liability for Loss of Goods in Transit

**F**REQUENTLY litigation results between consignor and consignee regarding the liability for loss of goods in transit. Generally speaking, the one who has legal title to the merchandise during its transportation is responsible and must look to the carrier for payment. Usually the party who possesses the bill of lading is legal owner of the goods.

For example, in *U. Koen & Co. v. New Winnfield Co.*, 125 So. 764, it was disclosed that a consignee ordered a consignor to ship goods. They were lost in transit. The consignee contended he had not legal title and therefore refused to



acknowledge liability. Suit was instituted against the consignee but it was shown he had not received the bill of lading. Therefore the Court held that by the act of retaining possession of the bill of lading the consignor had legal title to the goods, thus relieving the consignee from liability for loss of the merchandise. This Court said:

"The right of plaintiff [seller] to recover is, we think, dependent upon whether or not the title or ownership of the property passed to the buyer when it was delivered to the carrier by the manufacturer. . . . Plaintiff [consignor] carried the burden of proof to show that the title or ownership of the property passed to defendant [consignee] when it was delivered to the carrier, and, in the absence of evidence establishing that such was the agreement of the parties, or that the bill of lading directed that the shipment be delivered to the buyer, it cannot be presumed that the title or ownership of the property passed to defendant [consignee] on delivery to the carrier."

### Injury to a Helper

ORDINARILY a warehouseman is liable in damages for injury caused by a motor truck driver's negligence to a helper. However, it is important to know that the employer is not liable for an injury to a helper who is employed by the driver without proper authority.

For illustration, in *Broitman v. Silver*, 169 N. E. 501, it was disclosed that the driver of a delivery truck invited a person to assist him to make deliveries. During the trip the driver recklessly and negligently caused an injury to the helper, who sued the employer for damages.

The Court held the employer not liable, saying:

"The record presents the question, Did Weiss, the driver of the truck, have authority to employ the plaintiff or invite him to ride on the truck as a guest or as a servant? . . . There was no evidence that Weiss was authorized to invite the plaintiff [injured helper] to be upon the truck or to employ him. Weiss was hired to drive the truck and to deliver merchandise; he had no further authority. In permitting the plaintiff to ride, Weiss was not acting within the real or apparent scope of his employment."

### Truckman Not Liable for Glass Breakage

IT is important to know that although a trucking company is legally a common carrier, it is not liable for damages to goods being transported if the negligence of the owner of the goods when loading the truck resulted in the damage.

For illustration, in *Toledo Plate Glass Co. v. Schram Storage & Trucking Co.*, 230 N. W. 939, it was disclosed that the Schram firm for about twenty years had

transported plate glass for a glass company to the latter's warehouse from the freight depots. The trucking company furnished dray, team, and driver at a stated price per hour. The glass company's employees loaded and unloaded the glass.

One day some glass fell off the dray and was broken. The glass company brought suit for its value on the claim that the trucking company was a common carrier and, therefore, an insurer, and also that it had been guilty of negligence.

The trucking company contended it was a private carrier and had made a special agreement with the glass company by which the latter hired the dray by the hour and assumed the risks of transportation. The Court held that the trucking company may be liable and submitted to the jury the issues of whether the truckman's negligence in driving the truck or negligence of the glass company's employees in loading the truck had directly resulted in the glass falling. Inasmuch as it was proved that the glass company's employees had failed to pack the glass securely on the dray, the Court held the trucking company not liable, saying:

"Defendant had verdict of the jury. It was not against the great weight of the evidence."

### Intended Meanings Vital in Contracts

IN many instances parties to contracts, when interpreting their obligations, forget that the Courts *always* endeavor to construe the *intended* meaning of the parties at the time the contract was made, irrespective of the clauses contained in the contract.

For example, in *Morrison v. Sycamore Co.*, 283 Pac. 84, a company entered into a contract with a man named Morrison whereby the former agreed to pay Morrison a stipulated amount per load if he would purchase motor trucks.

Pursuant to this agreement, Morrison purchased and procured the necessary trucks and prepared to do the hauling. Before he began to do the hauling the company sent him a notice that the firm for which it intended to haul merchandise had cancelled its contract, for which reason it was necessary to cancel the agreement with Morrison.

Morrison demanded that the company pay for the trouble and expense of purchasing the motor trucks to carry out the terms of the contract. The company refused to make payment and Morrison filed suit for damages. The lower Court rendered judgment in favor of Morrison for the sum of \$3,942.75 and it is interesting to observe that the higher Court upheld this verdict, saying:

"The contract is definite and certain regarding the employment, the material to be hauled, and the amount of compensation for service. . . . In considering the present agreement as a whole, it seems quite evident the defendant [company] fully expected to provide for the

hauling of the material. There was no suggestion that any one else might undertake to do so."

### Liability Involving Driver's Negligence

AN important point of the law is that notwithstanding the fact that a warehouseman's patron directs the driver of a motor truck, hired from the warehouseman, yet the patron is not liable for negligence of the driver if the control or authority assumed by the patron was relatively immaterial.

For instance, in the case of *Independence v. Carmical & Woodring*, 127 So. 10, it was shown that a company was engaged in the business of hiring trucks and furnishing drivers. One day a patron, who hired a motor truck, directed the driver where to park the truck while it was being loaded. The driver negligently left the truck in reverse gear and when he cranked the engine the truck moved rearwardly and ran over a workman, whose dependents sued for damages on the contention that the patron, in directing the driver where to park the truck, assumed legal control, thereby resulting in his liability. The higher Court held the truck owner liable, thereby relieving the patron from responsibility, and said:

"There was not any evidence of any agreement between McConnell [patron] and the truck owner that McConnell should be responsible for the negligence of the driver, nor was there any evidence indicating that the driver of the truck was expected to do, or that McConnell directed him to do, any work which was without the scope of his employment with the truck owner, or that McConnell interfered with the driver or directed him as to the manner of operating the truck, or that any action of McConnell's prevented the driver from properly operating the truck."

### Compensation Is Denied Employee

IN *Nagy v. Kangesser*, 168 N. E. 517, it was disclosed that a motor truck driver was injured at 7.30 a. m. while driving the truck from his home to his employer's warehouse. The employee was not required to report for duty before 8 a. m., but his counsel argued that the employer was liable because he had in his possession the employer's automobile when the injury occurred. However, the Court held the employer not liable, and explained the established law in the following language:

"Inasmuch as the accident happened prior to 8 a. m., there could be no liability under the doctrine of master and servant, because the employee was not an employee in the performance of any duty in behalf of the master, unless it can be said that the employee is on his master's business while he is en route to his work to perform his duties. This position obviously is not tenable under the authorities, because the master can-

not be held liable unless the act in question is part of an actual duty connected with employment. . . . To hold the master liable because of the possession of the automobile prior to 8 a. m. would not be based on merit or logic, because such a deduction and conclusion would hold the master liable under any other similar circumstances were any injurious act of the employee committed at any time between 5 p. m. and 8 a. m. of the succeeding day."

### Third Person May Recover Damages

IT is well settled that an injured person is entitled to recover damages if the testimony shows that negligence of the warehouseman, or his employees who were acting within the scope of the employment, caused the injury. Moreover, under certain circumstances the Court presumes negligence on the part of a warehouse employee who caused an injury. A recent higher Court case involving this interesting point of the law is *Sheridan v. Arrow Co.*, 146 Atl. 191.

The facts of this case are that the driver of a truck left it standing on a hill. While he was unloading the truck it started to move and ran down the grade, colliding with a pedestrian, who sued the owner for damages.

During the trial the driver testified he had exercised care to set the brakes and that he could not explain why the truck had started to roll. Notwithstanding this testimony the lower Court presumed negligence on the part of the driver and held his employer liable in damages. The higher Court upheld this verdict, and said:

"The unexplained presence upon the public highway of this 'runaway' motor truck, without driver or occupant, moving along the highway to the far side thereof, mounting the curb and doing serious physical injury to a person lawfully there, raises a *prima facie* presumption of negligence on the part of the owner and on the part of the owner's employee in whose charge the car was. . . . The questions to be resolved included not only whether the safeguarding of the car met that degree of care and prudence which the law requires to be exercised under such circumstances, but also whether, in the light of other evidence, the car was actually so safeguarded, and whether the brakes, even if set, were in proper condition to hold the car on so steep a grade."

### Compensation to a Driver

GENERALLY speaking, the Courts hold that any employee injured while performing his regular duties is entitled to compensation. This rule is applicable although the injury is not apparent for several days or weeks after the occurrence of the accident.

For instance, in *Woll v. Hensel*, 250 N. W. 813, it was shown that a truck driver had been for six months employed

by a trucking company and freight handler at a weekly wage of \$21. He was 59 years old and weighed 210 pounds. While he and another employee were lifting a heavy box weighing more than 300 pounds to a height of three feet he received an injury causing a hernia on the right side. This was not discovered by the employee until he was examined by a physician some time afterward.

The lower Court refused compensation on the ground that the employee did not suffer an accidental injury to his person arising out of and in the course of his employment with the trucking company. He appealed to the higher Court, which held the driver entitled to compensation and said:

"We recognize and adhere to the oft-repeated holding of this Court that on appeal here in a case such as this, if, 'upon a fair consideration of all the evidence and the fair and reasonable inferences which may be drawn therefrom, reasonable minds might reach different conclusions, a reasonable conclusion so arrived at must be sustained.'"

### Privilege of a Common Carrier

IN a recent Texas case—*F. M. Brantley v. Binyon-O'Keefe Fireproof Storage Co.*—the warehouse firm was requested by a person named Cowan to call at a certain address and transport a piano to a stipulated address. Later another person sued both Cowan and the O'Keefe company for conversion of the piano, on the ground that Cowan had, without knowledge of the owner, crawled through a window and opened a door of the residence so that the warehouse crew could get the piano.

If the act of transferring the piano had been performed by an individual, the latter would have been liable, even though acting in good faith when removing the instrument.

However, as the act was done by a common carrier, the Court ruled that a common carrier was bound to transport property for all who requested service, and for this reason the O'Keefe firm was held not liable. (See 10 C. j. 65; and 19 N. E. 389.)

This is believed to be the first case of its kind ever decided in Texas.

### Mr. Parker Answers Readers' Questions

LEGAL EDITOR, *Distribution and Warehousing*: In a lot of goods in storage is a set of aluminum ware sold on the installment plan, and the seller claims that he holds title and mortgage to this. What is our obligation in this regard?

Also, we have some household goods in storage and at the time they were delivered the owner asked us to crate them. We knew what some of the goods were. Among the lot was several paper cartons and one wooden box.

The owner has not claimed the goods and we are going to advertise and sell them for our charges. Are we permitted to open the cartons and the box in order to know their contents so that we can sell them?—*Mayhew & Wedge*.

Answer: If the seller holds a conditional contract of sale or mortgage which was properly recorded before you accepted the goods for storage he can recover possession of the goods, providing he did not give his consent to your storing the same. In some instances, mere consent of a holder of a mortgage is sufficient to justify a Court in requiring the holder of a mortgage to pay storage charges before recovering possession of the goods.

Regarding the right to open packages before selling them for storage charges the answer to this question depends on the technical interpretation of the law in your State with respect to the sale of stored merchandise. Generally speaking, you are not particularly interested in opening packages, as you desire merely to obtain your charges from the proceeds of the sale. Of course you must be certain to conduct the sale strictly in accordance with your State laws; otherwise the owner can sue and recover from you the value of the goods.

LEGAL EDITOR, *Distribution and Warehousing*: Once in a while we have a purchaser who claims that he has suffered some injury from the use of cream. If such a case should come in New York and we should have merchandise stocked in your warehouse, how can we protect ourselves so that the may not attach this merchandise and sell it for their own account in order to receive damages to which they feel they are entitled?

As we understand it, so long as the merchandise is in our own name they can attach it.—*McNally Bros., Inc.*

Answer: So long as this merchandise is within the jurisdiction of the Court in which suit is filed, I know of no plea by which you can avoid attachment and sale of the goods to satisfy a judgment providing the person who files the suit is successful in obtaining a favorable verdict. It is well known that to satisfy a judgment of attachment the sale of any valuable property may be executed for the purpose of satisfying this judgment. Of course a person who has judgment against your firm may collect the same whether or not attachable merchandise is within jurisdiction of the particular Court; so, for this reason, do not see any particular disadvantage in your carrying a stock of goods in New York.

LEGAL EDITOR, *Distribution and Warehousing*: Our men asked the other day whether they were obliged to tell all persons asking them where they were moving a party. This question was asked on another occasion by a New York policeman.

We would appreciate it very much

(Concluded on page 46)

# A French Warehouse With American Methods

Has Been Established by Bedel & Co.,  
Paris

BY ELIZABETH FORMAN

**A**N experiment in packing and shipping which began around Christmas time of last year with one workman and just a tiny corner of a warehouse as an operating plant has resulted in the addition of a full-fledged "American Department" being added to the firm of Bedel & Co., a leading storage and moving establishment in Paris, France.

The venture was never extensively advertised, but from the very first it was necessary to add packers two at a time, and at certain seasons the firm has been unable to keep up with the boom in business.

The American Department, as its name implies, was devised to cater to the wants and needs of American buyers of antiques, curios, furniture and what not, as well as to serve the constant stream of travelers who divide their time between America and the capitals of Europe. It occupies a newly built wing of one of the Bedels' ten Paris warehouses; and in addition to a staff of expert packers it has a foreman and a managing director. The latter, René Viejo, formerly was associated with James H. Hoeveler, a Pitts-

burgh warehouseman, who was president of the now extinct Franco-American Packing & Storage Co., which operated for a time in Paris.

The aim of the new department is to "give Americans in France the service they are accustomed to get at home in the way of storing, packing or shipping their goods, whether it is a complete lot of used furniture or a souvenir to send to a friend," and to receive, unpack and deliver to the new home the household effects that may be brought from America to the Old World.

It is, according to a recently issued circular, "a French warehouse with American methods."

This slogan, perhaps, is a direct outcome of a pilgrimage to the United States and Canada made some time ago by M. Jacques Bedel, junior member of the firm. During his stay in New York, Mr. Bedel became associated with the Manhattan Storage & Warehouse Co. as an employee in order to study at first hand American methods in the storing and moving of household goods. The Manhattan firm is the American asso-

ciate and representative of Bedel & Co.

The success of the American Department has necessitated the erection of a new fireproof addition to the Bedel plant in Paris and this is to be augmented in the near future by another building, for which the architect's plans already are completed. The roof of the wing already completed commands a view of the famous Montmartre section of Paris, with the church of the Sacre Coeur gleaming white in the background. This roof is being made into a tennis court for the enjoyment of the employees of the firm.

Another innovation of American origin was introduced by the Bedels when a Fordson tractor recently made its appearance on the streets of Paris for the handling of large moving vans. This was soon followed by a specially built six-wheeled truck—the first of a number to come from the Citroen factory in France. These are being put in operation for long distance hauling in conjunction with various warehousing companies in Spain and the south of France—a sort of French Allied Van Lines.

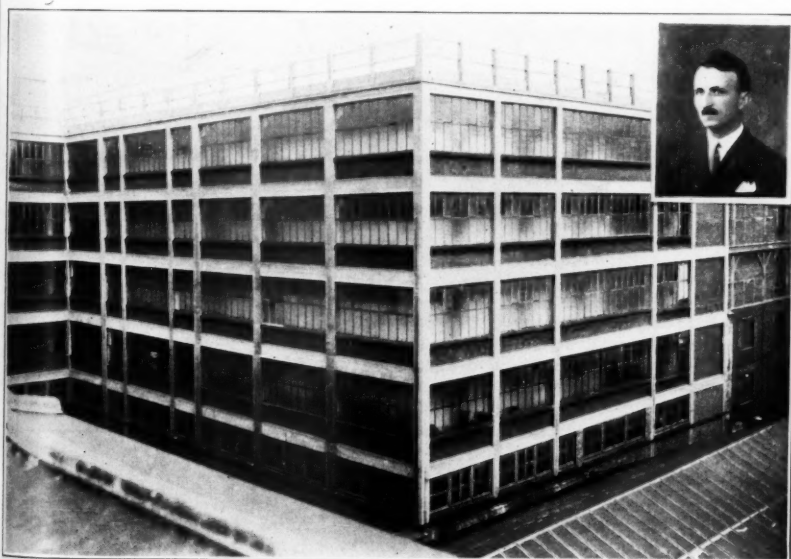
Other recent developments in the warehousing industry in France include a newly inaugurated airplane service to Germany. This, for small packages, has already proved to be cheaper and infinitely quicker than the mails. A tourist agency where railroad and steamship tickets are supplied to customers also has been installed at the Bedel's central office in Paris.

## Stacy Controls Columbiana Co.

The partnership of C. L. Stacy and W. L. Hooper in the Columbiana Storage & Warehouse Co., Columbiana, Ohio, has been dissolved. Mr. Hooper, who was the operating executive, has retired, and the business has been taken over by Mr. Stacy.

## Warehousing in Panama

The Panama Railroad Co., a New York corporation of which the stock is now owned by the United States Government, will warehouse "for orders" at its warehouses and piers at Balboa and Cristobal, Canal Zone, non-perishable and non-dangerous merchandise, except alcoholic liquors.



The Paris warehouse in which is located the American department of Bedel & Co. In upper right, M. Rene Viejo, manager of the department. Spanish by birth, M. Viejo has spent several years in the United States and Canada. In the Calgary cattle country where the Prince of Wales' ranch is located, he took a fling at cow punching. Prior to joining the Bedel firm he was associated with James H. Hoeveler in former Franco-American Packing & Storage Co., Paris



# Taking Truck Depreciation Seriously

*The System of the Jacobs Transfer Co., Inc., Washington Is Here Outlined*

BY LINTON WILLIAM MASON

**Y**OU pay \$5,000 for a truck, and in five years or less the truck is junk and your \$5,000 just isn't. Where has it gone? Answer. The use to which you have put the truck has worn that truck out—has caused it to *depreciate*. Your original \$5,000 is spread over the use of that truck just as surely and just as constantly as the gasoline, oil and tires; and is a bigger item than all three put together.

Depreciation is regarded by many as a necessary evil that must go on anyway, and about which nothing can be done. So why bother, they argue, about which way it is charged off?—"one way is as good as another."

**N**UMEROUS systems of truck depreciation are in operation, and there are numerous disadvantages to most of them.

Probably the oldest and most widely used is the so-called straight line method. Here the cost of the truck is pro-rated equally over its estimated life, usually five years. The charge every month is exactly the same.

But a truck decreases in value quicker during its early life than during its later life, so the straight line method is most inaccurate. To remedy this, a system was devised whereby high charges were spread over the first year, and proportionately lesser charges over the remaining years. If a truck is estimated to last five years, the charges would be proportioned as follows:

$$1+2+3+4+5=15$$

- The 1st year, charge off 5/15 of the cost.
- The 2nd year, charge off 4/15 of the cost.
- The 3rd year, charge off 3/15 of the cost.
- The 4th year, charge off 2/15 of the cost.
- The 5th year, charge off 1/15 of the cost.

This was a big step in the right direction, but yet far from accurate. Each year's charges vary, but the *monthly* charge each year would be the same throughout that particular year, yet the use to which the truck was put, and the resultant wear, surely vary from month to month.

## The Mileage Method

Then came the mileage method, wherein the cost was pro-rated over the mileage it was estimated the truck would run during its life. Here the last 10,000 miles cost apparently just as much as the first 10,000 miles, when as

But there is a very real reason for taking depreciation seriously, and for making an honest effort to apportion it over the use of the truck so that it reflects as nearly as possible the actual value of the truck we are wearing out by that use.

In the hauling business, the amount bid for work is based on costs. We must know what an operation will cost us before we can make an intelligent bid; and if our costs are insufficient, the job is a loss. The amount of the truck we will wear out in doing a job is a big part of the total cost, and must be known if we would have our price right and make a profit.

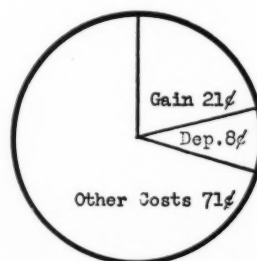
## THE INCOME DOLLAR

You may think you are doing this:



STRAIGHT LINE METHOD

When the actual result is this:



OUR METHOD

The difference between self-deception and actual facts is visually shown above, and is taken from a truck handled on our books according to the method shown on the right, treated again for purposes of comparison according to the straight line method, shown on the left. When it comes to profits, it pays to **KNOW**.

a matter of fact the first 10,000 miles knocked off a great deal more of the truck's value than did the last.

We want a system of depreciation to reflect as accurately as possible the actual shrinkage in value, so that our costs may be actual costs and not guesses.

Let us consider the facts we have from which to work.

The usual useful life of a truck engaged in local freight hauling is five years. After that time, the cost of repairs is considerable and the sales value of the truck practically nothing.

A truck shrinks in value more during its early life. This shrinkage is by general usage distributed proportionately over the estimated life of the truck, on this basis:

1st year.....	5/15
2nd year.....	4/15
3rd year.....	3/15
4th year.....	2/15
5th year.....	1/15

A truck is worn out by use, and use is most accurately shown by distance traveled. The early miles cost the most, as the value of the truck is shrinking most during those miles.

If the truck is not being used at all, nevertheless it is depreciating. Parts are rusting. Materials are wasting. The whole truck is becoming obsolete. At the end of five years the truck will be practically valueless regardless of use, so the aim should be to charge off the entire value within the five-year period, and sooner if the truck gets more than average use.

### The Jacobs Plan

What we need is a system that will dispose of the cost of the truck within the five-year period, and will at the same time reflect the higher costs which arise in those months where excessive use occurs.

If a truck lasts five years, and we find we ran it an average of forty miles a day, how long will our next truck last, if we increase that use to eighty miles a day? Certainly not so long.

Our experience shows that our trucks average five years of life up to the point where repair costs become so high as to make it desirable to have no charge for depreciation. Our trucks each average forty miles a day, twenty-five days a month, which is 1,000 miles a month, 12,000 miles a year, 60,000 miles over the five-year life of the truck.

Let us, then, pro-rate the cost of a truck over the period of its use in proportion to that use, at the same time placing the highest charge in its early life and providing that the cost shall be absorbed within the five-year period, regardless of use.

This is best shown by a consideration of the following:

#### DEPRECIATION SCHEDULE, TRUCK NO. 43

Actual cost of truck.....										\$2,263.32	
At the end of five years, the truck will have a scrap value estimated at 10 per cent of first cost.....										226.33	
Amount to be depreciated.....										\$2,036.99	
1st year	or 1st	12,000 miles	5/15 of	\$2,036.99	or	\$679.00		Per Mi.	Mo. Min.		
2nd year	or 2nd	12,000 miles	4/15 of	2,036.99	or	543.20		.05658	56.58		
3rd year	or 3rd	12,000 miles	3/15 of	2,036.99	or	407.40		.04527	45.27		
4th year	or 4th	12,000 miles	2/15 of	2,036.99	or	271.60		.03395	33.95		
5th year	or 5th	12,000 miles	1/15 of	2,036.99	or	135.80		.02263	22.63		
										.01132	11.32
										\$2,037.00	

If truck No. 43, during the first month of its life, is used 600 miles, we would charge off \$56.58. If, in its second month, it covers 1,700 miles, we charge off 1700 times \$.05658, or \$96.17, which figure reflects in our costs the increased use to which we have put the truck.

Now consider the month wherein we pass one of our 12,000 marks. If our use for that particular month is 1,000 miles or less, we use the minimum charge in force for the period out of which we are passing. If, however, the monthly use exceeds 1,000 miles, we must split the mileage and use two rates—one for



Jacobs company's 3 1/2-ton Mack, Model B.J., which Mr. Linton says "will be junk in approximately five years." The truck has a 168-inch wheelbase. Weight, 10,390 pounds. Tires are 40x8 pneumatic on all wheels. Cost (including ten tires), \$9,642.68. The trailer is a Warner 10-ton. Weight, 10,350 pounds. Inside body measurements: length, 26 ft.; width, 7 ft. 3 in. Tires, duals on tractor rear; duals on trailer. Total weight of equipment, 20,740 pounds.

**ELIMINATE** the guesswork in motor truck depreciation, urges the author of this article. Mr. Mason, who is secretary-treasurer of the Jacobs Transfer Company, Inc., Washington, D. C., here describes a system which he says is flexible, accurate, and so mechanically simplified that anyone of average clerical ability can apply it in a way that will reflect accurate costs and scientific operation.

The system has proved its worth in the Jacobs company's Washington office, according to Mr. Mason, and is now being installed in the Baltimore branch.

The accompanying text is an important contribution to discussion of a moot problem.

500 times \$.05658.....	\$28.29
900 times .04527.....	40.74
1,400 miles cost.....	\$69.03

Under this system, where a truck goes in any month 1,000 miles or less, we charge off the monthly minimum, and by so doing we would wipe out the entire cost in five years, even though the truck never exceeded 1,000 miles a month.

Furthermore, as soon as the use in any month exceeds 1,000 miles, we charge off depreciation according to the mileage rate, thus reflecting accurately in each month's cost figures the exact extent of actual use.

As soon as the truck has been used a year, or has traveled 12,000 miles, the rate changes, and this holds good through each successive yearly period or 12,000 miles of use.

The result is a system that is flexible and accurate, and mechanically simplified so that anyone of average clerical ability can apply it. Its careful application cannot fail to be reflected in more accurate costs and more scientific operation.

It takes the guesswork out of depreciation.

### Florida Trucks Must License in Alabama

HARRY S. LONG, chairman of the Alabama State Tax Commission, has announced that all commercial motor trucks entering Alabama from Florida must obtain Alabama license tags.

### Pamphlets Received

"Lewis-Shepard Floor Trucks." A 16-page illustrated pamphlet which is the new catalog of the Lewis-Shepard Co., Boston, describing its standard and special floor trucks.

Bulletin 92J of the Revolver Co., Jersey City, N. J., illustrating and describing a new lift truck called "The Red Giant."

# WITH THE ASSOCIATIONS

**H**ERE is presented in tabloid form the Association news that is of *general interest* to the industry as a whole. No effort is made to publish complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

## New Jersey Men Protest Against Railroad Storage

**A**N appeal to the American Warehousemen's Association to file with the Interstate Commerce Commission a complaint against "unfair competition and discriminatory practices" at railroad terminals engaged in the storage business is contained in resolutions adopted recently by the New Jersey Merchandise Warehousemen's Association. The resolutions read:

"Whereas, the railroad terminals in the Port of New York and elsewhere are engaging in unfair competition and discriminatory practices in the storage and handling of merchandise, therefore be it

"Resolved, that the American Warehousemen's Association file a formal complaint with the Interstate Commerce Commission, and be it further

"Resolved, that the New Jersey Merchandise Warehousemen's Association contribute to the expense of such proceedings, and be it further

"Resolved, that copies of this resolution be sent to the Warehousemen's Association of the Port of New York and the New York State Warehousemen's Association."

## Rail Storage Discussed by A. W. A. Counsel

**T**HE resolutions [elsewhere quoted on this page] adopted by the New Jersey Merchandise Warehousemen's Association on the subject of storage competition by railroad terminals was discussed at the September meeting of the Warehousemen's Association of the Port of New York.

The attorney, Mr. Cotteril, for the American Warehousemen's Association, to which the New Jersey organization appealed with the suggestion that a formal complaint be filed with the Interstate Commerce Commission, explained that he was counsel for the A. W. A. in the I. C. C. case involving railroad practices and he said it was his opinion that the resolution of the New Jersey association would be duplicating the proceedings now pending. The first report in the accessorial services case was sketchy and nebulous, the attorney explained, and the I. C. C. had ordered enlargement of the report in the firm in which it appeared.

The report of the New York association's September meeting as made public continues:

"Specifically, the warehousemen had been interested in the measure of charges by railroads for storage, handling and similar non-carrier charges, and secondly the failure of the railroads to charge for the use of facilities offered to vessels. Toward the end of the case the U. S. Shipping Board had induced the Interstate Commerce Commission to send a questionnaire to the railroads with respect to terminal services, and the issue of Port charge segregation arose, confusing the entire matter, with the result that the entire proceedings from that point seemed to be devoted to everything except what had originally been the subject matter for investigation. The report, when it eventually appeared, was approved by six of the members of the Interstate Commerce Commission, the other five issuing a minority report. In the majority report the issues were not apparently fully decided and the matters of particular interest to the warehousemen were not treated by either the majority or the minority in such manner as to be clearly adverse to the warehousemen.

"Since that time changes have occurred in the personnel of the Interstate Commerce Commission which have delayed filing a petition for reargument or rehearing on the matters of interest to the warehousemen: that is, storage and dockage rates. Inasmuch as the records show no attempt whatsoever on the part of railroads or others to rebut any of the testimony offered by the warehousemen and not even a denial of the warehousemen's allegations, it is felt that with the present membership of the Interstate Commerce Commission there can be no doubt but that a favorable decision on the pending petition for a reargument or rehearing will be obtained.

"The present petition definitely alleges that the railroads are using railroad facilities in violation of the Interstate Commerce Commission Act and Elkins Act by accepting nominal rentals. It is felt that the railroads were led into these practices by competitive solicitation even before transportation begins in a foreign country and that they too might be anxious to eliminate the practice.

"Mr. Cotteril then offered to answer any questions that might be asked. In reply to the ensuing questions, he stated that while the railroads might be

tempted to transfer their warehouse operations to subsidiaries, such action, if the subsidiaries persisted in making nominal rates, would be an even worse offense than the railroads making such nominal rates themselves. He stated that a decision in the present case on the practices involved would be controlling in all cases and that it was not wise at present to consider the introduction of specific instances unless the Interstate Commerce Commission so desired.

"He stated that any proposed construction might be opposed before the Finance Division of the Interstate Commerce Commission on the occasion of the hearing regarding the proposed financing."

## Philadelphians Oppose Proposed Truck Control

**T**HE "Proposed Uniform State Regulation of Motor Vehicles" bill backed by various State public utilities commissions was discussed at the September meeting of the Philadelphia Chapter of the Pennsylvania Furniture Warehousemen's Association, and it was unanimously voted that Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association, be notified that the Chapter was unalterably opposed to the proposed legislation.

C. K. Kenworthy, a Philadelphia attorney, after analyzing the bill at the Philadelphia meeting, concluded:

"I believe that every member . . . should be informed of the far reaching and drastic effects of the proposed Act, decidedly detrimental to his business."

## "Mischievous"

Stephen D. Bryce, Jr., of the motor truck department of the National Automobile Chamber of Commerce, in a letter read at the meeting expressed opinion that the bill was mischievous "in more ways than one," and that he hoped the warehousemen would not approve it until future events demonstrated a new and more pressing need for such legislation.

On behalf of the Philadelphia Chapter, Buell G. Miller presented Charles S. Morris, New York, a past president of the N. F. W. A., a miniature Liberty Bell bearing an engraved plate expressing the Chapter's appreciation "of his services in bringing about better business conditions in the storage industry in Philadelphia."



### Texas Association Plans Uniformity in Charges on Pick-Up

DISCUSSION of "The New Trend in Transportation and How Warehousemen Are Going to Meet It," at the mid-year convention of the Texas Warehouse and Transfermen's Association, at Mineral Wells on Sept. 12 and 13, resulted in a tentative agreement among the members to try to work out a uniform charge on pick-up and delivery service to cover the cost of marking and billing. It was thought that one-half of the charges shown in the Tackett tariff covering drayage should be assessed where no drayage is performed, with 25 cents as a minimum. The discussion was led by R. E. Abernathy, Dallas; O. E. Latimer, San Antonio, and L. C. Abbott, Fort Worth.

Other topics considered included "General Business Conditions," led by Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association, who discussed also the Allied Van Lines activities; "Insurance," led by Gus K. Weathered, Dallas; "Household Goods Business," led by E. D. Balcom, Dallas, and Mr. Latimer; "Different Methods of Figuring Rates on Inter-City Removals," led by William I. Ford, Dallas; and "Reciprocity Between States," led by J. C. Herrin of Shreveport, La., R. B. Albaugh, Waco, and Mr. Abernathy.

Roy Binyon, Fort Worth, the president, made formal announcement of the election of B. F. Johnson as secretary, to succeed Col. Neill H. Banister, resigned. Mr. Johnson, whose title has been changed from field secretary to secretary-manager, was for many years in Chamber of Commerce work in Wichita Falls and Paris, Tex.; he served a term in the State Legislature and has had newspaper experience.

The constitution was amended to provide for the enlargement of the executive committee by the addition of two vice-presidents.

The attendance was unusually large and included executives from Oklahoma and New Mexico. Several new members were approved for admittance.

### N. T. & M. T. O. A. New Committees

APPOINTMENT of a legislative committee is announced by D. J. McHugh, Cincinnati, recently elected president of the National Tram & Motor Truck Owners' Association, Inc. J. X. Galvin, Chicago, is chairman, and the other members are E. Foster Moreton of Detroit, W. T. Grund of St. Louis and Hugh C. Moore of Philadelphia, together with the association's executive committee—President McHugh; James M. Naye, Philadelphia, vice-president, and William J. McDevitt, Cincinnati, treasurer.

As collectors of news for the bulletin published by the secretary, Harry B.



Delegates who attended recent meeting of the Transfer and Storage men's Association of Montana

Rubey, Cincinnati, President McHugh has appointed James M. Naye, Philadelphia; Joseph Downing, Buffalo; W. T. Grund, St. Louis; James Simpson, Pittsburgh; J. C. Devenne, Cleveland; E. Foster Moreton, Detroit; A. T. Barton, Kansas City, and H. D. Franks, Wooster, Ohio.

### "SoWA" Convention in Atlanta Nov. 20

PLANS are being perfected for entertaining the delegates to the annual convention of the Southern Warehousemen's Association at Atlanta on Nov. 20 and 21. Headquarters will be at the Henry Grady Hotel, in the center of the business, shopping and amusement district.

Features being planned include a golf tournament, a sight-seeing tour of the city and a Saturday football game.

—J. H. Reed.

### N. Y. Committee to Study Public Utility Control

ANNOUNCEMENT is made by William T. Bostwick, New York City, secretary of the New York State Warehousemen's Association, that a committee has been created to study the problem of public utility control of warehousing. The subject was discussed at the association's annual meeting last summer and it was then decided to survey the situation.

The committee has as its chairman Harper Hold, New York, who, with D. L. Tilly, represents the Warehousemen's Association of the Port of New York. Joseph W. Glenn represents the Buffalo Furniture Warehousemen's Association, U. C. Leckinger the Truckmen's and Warehousemen's Association of Rochester, R. M. King of Syracuse the Central New York Warehousemen's Club, and John G. Neeser of New York the New York Furniture Warehousemen's Association.

### "Who Gets the Business?"

ANSWER: "It's the Starred Listing that Gets the Business." Therefore it pays to have a Starred listing.

### Montanans Meet On a Dude Ranch

HUNTERS' Hot Springs, a modern "dude" ranch, was the scene of a recent meeting of the Transfer and Storage men's Association of Montana, with delegates present from Helena, Butte, Missoula, Glendive, Livingston and Miles City. State laws affecting motor truck licensing were reviewed by D. H. Lewis of the motor vehicle department of the State Railroad Commission.

During discussion predictions were made that within a few years Montana would be linked up with freight and passenger motor service lines comparable with operations in the East.

The association went on record favoring a membership drive among all eligible prospects.

### Woodruff Heads Cleveland F. W. A.

AT the annual meeting of the Cleveland Furniture Warehousemen's Association at the Cleveland Athletic Club on Oct. 13, R. H. Woodruff, treasurer and operating executive of the Andrews Furniture Storage Co., was elected president.

W. H. Turner, treasurer of the Lincoln Storage Co., was reelected secretary and treasurer.

### Pennsylvanians Fighting Gross Receipts Tax Act

EXECUTIVES who are members of the Pennsylvania Furniture Warehousemen's Association and the Pennsylvania Motor Truck Association are campaigning against the State Department of Revenue's new gross receipts tax of eight mills on intrastate hauling. The Department in July notified some 5000 companies engaged in the transportation of merchandise to submit reports so that the tax might be imposed.

The two associations have retained John R. Scholl, a Philadelphia attorney, to represent them and a fund is being raised to finance an action to test the constitutionality of the 1929 gross receipts Act, the plan being to carry the case to the Supreme Court if that becomes necessary. Also an effort will be made to have the Pennsylvania Legis-

lature enact a satisfactory substitute law at the next session.

At a recent meeting of the Philadelphia chapter of the P. F. W. A. it was announced that Mr. Scholl had arranged for three test cases, one of them in the name of Hildenbrand Bros., a Philadelphia member.

### **Atlanta F.W.A. Will Continue**

Reports that the Atlanta Furniture Warehousemen's Association might be disbanded have been denied by Sydney Green, secretary of the Southern Warehousemen's Association, and by W. L. Inglis, president of the Atlanta organization.

The Atlanta body is planning to entertain the delegates to the Southern W. A. in November.

—J. H. Reed.

### **Lift Vans May Be Used by the A. V. L.**

A RECOMMENDATION that household goods moving from railroad and steamship terminal to the home, on Manhattan Island below 135th Street, be done on the hourly basis, this to apply on shipments of more than 1000 pounds when goods are not going into storage, was discussed at the November meeting of the New York Furniture Warehousemen's Association. The suggestion was put over to the December gathering for further consideration.

The report by Barrett C. Gilbert, eastern vice-president of the Allied Van Lines of the National Furniture Warehousemen's Association, disclosed that A. V. L. has tentative plans for displacing motor vans with rail-transported lift vans on long distance removals of household goods on distances greater than 500 miles. An A. V. L. committee is working on the idea and may present something definite at the winter convention of the N. F. W. A. Mr. Gilbert states that A. V. L. did \$195,000 worth of business in August, as compared with \$169,000 during the same month last year.

The H. N. Bragg Forwarding Co., recently organized by Herbert N. Bragg, formerly with the Trans-Continental Freight Co., was admitted to membership.

L. A. Graham, of the Relay Motors Corp., addressed the meeting on the subject of costs, and showed motion pictures taken at the summer convention of the N. F. W. A. at Asheville, N. C.

—K. B. S.

### **Northern Californians Against State Control of H. H. G. Warehousing**

THE northern division of the California Van & Storage Association, at its meeting held at the Elks' Club in San Francisco on Sept. 20, voted against the plan proposed before the directors of the State organization to place the affairs

### **Hitch Your Warehouse to a Star**

THE national distributor will look for the Star when consulting the 1931 Warehouse Directory in selecting points for storage. Will your listing be Starred next year? It will be if you notify the information you return.

of the organization under control of the State Railroad Commission.

Addresses on the subject were made by Clarence Lockett and J. Munro, both of Sacramento, and Harry Dawson, Stockton. They pointed out that under the jurisdiction of the Railroad Commission it was easy to have rates reduced but difficult to raise them.

It was the consensus that the burdens and disadvantages under this plan would be far greater than the advantages.

A general discussion followed on the advisability of increasing storage rates throughout this association's territory. It was declared that such rates were higher in every portion of the United States, while California warehousemen still were operating on the same basis that prevailed 20 years ago.

It was agreed that this problem should be taken up by individual round tables in the immediate future, with a view to a proper readjustment.

—Clarence Ebey.



George A. Rhame

### **Rhame Now Wholly With A. W. A., With Office in Chicago**

GEORGE A. RHAME, long secretary of the Minnesota Warehousemen's Association, and for the past several years business manager of *The Merchandise Warehouseman*, the official organ of the merchandise division of the American Warehousemen's Association, has resigned from the Minnesota association and has removed from Minneapolis to Chicago, where he is now assistant executive secretary of the A. W. A. merchandise division. He will continue to handle the business end of the magazine.

Mr. Rhame has resigned also as Minnesota representative of the Allied Van Lines, Inc., of the National Furniture Warehousemen's Association.

F. E. Brevig succeeds Mr. Rhame as

secretary of the Minnesota Warehousemen's Association.

### **Novel Business Service Plan by Texas Secretary**

THE new secretary, B. F. Johnson, Fort Worth, of the Texas Warehouse & Transfermen's Association, has inaugurated for the members a business-tip service which is perhaps something new in the activities of the industry's trade association secretaries.

Mr. Johnson is watching the small town newspapers all over the State. He makes notes about persons or corporations about to move to other points. These notes are incorporated into a bulletin which is sent periodically to those of the association's members who are in good standing.

As examples, a recent bulletin told the members of a Haworth man having purchased a drug company in Idabel, Okla., planning to move to Idabel; of a Fort Worth clergyman being about to remove to Corpus Christi because of having accepted a pastorate in the latter city; of a Lubbock man having accepted a position as an educational director in Fort Worth; of a variety store being about to move from Rotan.

These tips furnish leads for new business in long distance removals and possibly storage.

### **Lyon Acquires California Co.**

Announcement of the consolidation of the California Fireproof Storage Co., Los Angeles, with the Lyon Van & Storage Co., Inc., operating in various California cities, was made on Oct. 6 by Judson M. Davis, chairman of the board of the Lyon organization. The merger provides additional facilities for Lyon in the West Pico district.

J. W. Cameron and William I. Burns of the California Fireproof Storage Co. will continue as managers.

The acquired firm was established in 1909 and operated a household goods depository at 2808 West Pico Boulevard. It held memberships in the National Furniture Warehousemen's Association and the California Van & Storage Association.

### **Bekins Handles Scotty Imports**

The Bekins Van & Storage Co., Los Angeles, recently transported from France and Spain into the far north reaches of America's Death Valley the huge collection of works of art, draperies and old furniture which are to be used in the final decorations of Scotty's famous palace in Death Valley.

From Los Angeles to Scotty's the goods went on a White truck and trailer with the capacity of a 36-foot box car, the equipment making several trips through the Desert.

# MOTOR FREIGHT

Reg. U. S. Patent Office

**F**OR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehousing business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By Philip L. Sniffin

## THIS MONTH

### Warehousing Now "Truck Equipment Conscious"—and Truck Makers "Warehouse Conscious"

**M**OTOR truck manufacturers, offering new models, are evidencing a strong desire to cooperate in producing special chassis and body equipment to meet the special needs of the warehouse and removals industry.

Things are happening in the truck industry which point toward an important step in the progress of quicker, better and more economical methods of warehouse trucking.

Where once the warehouse owner was prone to accept a "motor vehicle" as such, he may now look forward to receiving a unit of equipment designed especially for his particular delivery requirements.

Where once, and not so long ago, the smart factory sales departments and their dealers were found to be the ones to bend their efforts vocationally, we now find the factory engineers working hand in hand with the equipment makers to give the user a chassis and body

combination which will be of greatest efficiency.

Ten years ago the popular truck lines consisted of one or two wheelbase models. Although rated closely as to capacity, there was practically no difference in their construction except as to wheelbase, tire size and gear ratio. Then came persistent demands for a greater range of wheelbases and capacities. This has been answered slowly—but answered.

Forgetting that, after all, it is the body characteristics which regulate the chassis, the factory engineers for years went on answering the demand for more chassis varieties, paying no attention seemingly to the body situation itself. If enough dealers wrote in often asking for a particular type of chassis, in the course of time they got it. But each time it took about so many failures in locally lengthened or otherwise altered chassis to cause something to be done about bringing out a strictly factory-built job to fill the needs of the customer.

**T**ODAY we find the truck users are fast becoming "special equipment conscious." They are demanding and getting matched units of chassis and body that are giving them much better transportation tools with which to work.

This advance in the equipment field has not come overnight. For a long time it was conceded that the users of trucks knew more about truck operation than did the local dealers, and that the local dealer knew more about his customers' requirements than did the folks back at the factory.

The special industry sales pamphlets and other literature furnished by the factory to their dealers were generally illustrated with bodies so special in nature that no one at the factory could tell the dealers just where one like it could be bought within a reasonable distance of where it was to be used, unless it was in the very community where it was made, in which case those in that section did not have to ask.

Those concerns who built the bodies had no organization. The body builder was indeed fortunate if he had a type-writer on which to pound out his answers to inquiries. He could not afford

to advertise because the advertising mediums had national circulation and he did not have national representation or distribution.

So difficult were conditions surrounding this subject of body equipment that it is a wonder truck use progressed in the way it did. Bodies were built by carpenters without thought of chassis burden. Bodies were built and mounted without considering weight distribution either as to tires, frame or springs, and they became the bane of the factory engineer's life.

### Today's Situation

**T**HE situation as it stands today is well expressed by Eugene L. Mench, Jr., formerly special equipment engineer for the Dodge Brothers' truck division, who says:

"Special truck equipment offers unlimited opportunities which cannot be overlooked in effective use of motor trucks for specialized transportation purposes, as labor-saving devices and advertising mediums. There are a few vocations in which special equipment is not a vital factor or even a necessity

in meeting the operating requirements of the truck user.

"It is only within the past few years that special truck equipment has really come to the front as an important phase of the truck industry, and to the operator credit can be given as the instigator of equipment as at present developed. The many existing types of equipment, including so called converted standard chassis and bodies, are primarily a result of the operator's demand for transportation units or mobile labor-saving equipment economically suitable to his particular needs.

"Formerly little attention was given to the problem by the truck manufacturer, it having been left to the operator and the truck dealer to work out their own salvation. Today, however, there is a growing appreciation of the importance of special equipment to the operator, the truck dealer and the truck manufacturer. Progressive truck manufacturers are realizing that selling transportation is a specialized business requiring a constant study of the actual and potential requirements of the operator. As a result many manufacturers have formed special sales engineer-



ing divisions whose function it is to investigate available special equipment, apply it correctly to suitable chassis with a view to increasing their utility and salability, and to serve the dealer organization and the operator in a special advisory capacity.

"A close contact with equipment manufacturers is essential to help them adapt their products in the most efficient manner. In many instances equipment makers are in a position to suggest certain chassis features or changes which will facilitate the mounting, operation and maintenance of the complete unit. This means a material reduction in original cost and minimized service difficulties."

### Units Must Match

IT is a point of great importance that the truck buyer must select a good truck chassis of suitable capacity, but the whole purpose and intent of the chassis can be nullified by selecting the wrong special equipment. Opposed to this thought is the idea that the design and service offered by the builders of special equipment for trucks have heretofore been arranged so that the truck chassis can be adapted to almost any use or purpose.

Sellers of trucks realize these days that they must analyze the truck buyers' requirements and be in a position to have the cooperation and advice of builders of special equipment who can supply the "pay load container and labor-saving device" which will most economically serve the user.

Special equipment has broadened the field of usefulness of motor trucks and is continuing to adapt the truck chassis to more and more lines of industry. The surface has hardly been scratched, and better and bigger things are most certainly ahead which will be of increasing interest to the truck buyer who is alive to the opportunities in matched vehicle units.

It may be stated that there is need for more cooperation among truck maker, operator and equipment manufacturers. A better understanding of one another's problems will tend to eliminate a lot of duplicated effort. A more intensive study of the operator's needs and maintenance problems will do much in extending the field of usefulness of commercial vehicles through the application of special equipment.

At the present time the leading motor truck manufacturers are giving nearly as much attention to equipment as to chassis, whereas for many years they made one chassis, sold it for anything or everything, then fitting a body to it; they were not concentrating their efforts to provide matched units.

In order to do this they are now working largely through the local dealer's salesmen. The salesman is becoming more of a specialist in fitting the vehicle to its purpose as a transportation unit.

### New Salesman Type

HOW will the user of trucks be apprised of this new era in truck equipment? How will he first be offered

the advantages of special equipment? What methods will the truck manufacturers use to put these matched units at his disposal in properly combined form?

The answer to these questions is this:

The leading truck manufacturers are at present working through their dealer organizations and, in turn, through the local salesmen to bring this about. Probably the best way to demonstrate this is to quote from a bulletin issued by one truck manufacturer and addressed to salesmen. This bulletin says:

"The successful truck salesman must figure out the proper recommendations

### When Winter Comes—

Clean out cooling system  
Check throughout for leaks  
Test thermostats and automatic shutters  
Place covers or shutters on radiator  
Add anti-freeze  
Change engine oil, if recommended  
Change rear axle and transmission lubricant  
Adjust carburetor  
Check choke  
Look over ignition system  
Clean and tighten battery ground connection  
Adjust generator charging rate to amount determined last year  
Free up, lubricate and adjust steering system and front end  
Inspect driver's compartment for wind and water leaks  
Tighten U-bolts  
General chassis tightening including body  
Replace broken spring leaves  
Inspect non-skid chains

much as a heating engineer estimates his furnace requirements.

"He must appreciate truck operation from the standpoint of customer service, because the frequency and extent of such service regulates the size of load, hence the size of body and chassis.

"If he will treat the load the same as if it were people who were being taken somewhere, and remember that there are people waiting for the goods just as impatiently as if the goods were people waiting to get to their destination, it will help him analyze the actual service requirements better, to recommend the size, and have the investment in prudent ration to the value of such service. He must be aware that the movement must be such as to eliminate delays at one point which cause congestion at another, whether it be in mother's kitchen or father's warehouse.

"To sell trucks today without guessing at what you are doing you must know these things: Tire capacities for weight distribution; load distribution from the

chassis standpoint; what are the lightest body materials commensurate with strength and endurance so that dead-weight will not consume revenue earning capacity; trailer applications; time-saving devices and their effect on the mileage output of the vehicle; when governors are and are not practical; when to recommend high-pressure of balloon tires; the table of weights and measures for containers and materials, etc.

"If you are trying to sell trucks and are just getting along, ignorance of the foregoing is doubtless the reason.

"A truck is a machine, and your job is to make it produce the greatest output possible by using the right equipment for handling the payload."

Another statement to salesmen, from a different source, further indicates the interest in this subject and the probability of quick action in putting it into good use for the truck purchaser.

"The special body," says this statement, "is an important sales factor and represents for the truck salesman at once a sales challenge and a sales opportunity. The one big interest of all buyers lies in the correct solution of their own individual problems, and the salesman who knows what body is best adapted to a given need and knows where to get it will make sales.

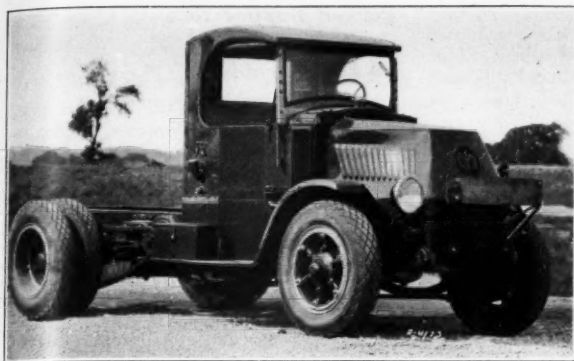
"Correct solution of the operator's problem, whatever his vocation, involves consideration of his own specific operation. While his needs, in many cases, may be met with standard stock bodies such as panel, express, canopy express types, there are many instances, in view of the special character of his business, where these would not suffice. For example, the manner of handling merchandise after it is on the truck may be the key requirement. Appearance and style may be the paramount feature. To other operators, economy and ease in loading and unloading may be the prime consideration. Still others would normally be content with a van body, but are specially interested in the safety of load. Others want a light body to permit the carriage of greater payloads. Demonstrators and portable stores are other examples of special needs. To properly fill these various special requirements, salesmen must know what the market has to offer."

### Cooperation the Answer

NATURALLY, no chassis maker with a substantial production can carry this multitude of special bodies, but he does align himself with the better builders of them, and between the two a service almost equal to standardization is worked out for the benefit of the truck purchaser.

The equipment specialist has the organization to sell and service truck equipment, backed by years of experience, plant and capital invested.

The same facilities available to the city salesman are available to small town truck dealers and salesmen. The only



Mack's new model  
"AK Six" for  
heavy duty

difference is that the city salesman has a slight time advantage in being able to contact sooner. This, however, is not a serious drawback, because inquiries received by reputable equipment houses from the field by wire, telephone or special delivery receive just as prompt and thorough attention as though they were made in person. Furthermore, equipment distributors travel their own salesmen, who are constantly in the field, contacting every truck dealer in the territory at regular intervals. The equipment salesman's services are always available. If he is not in the town when needed, a wire will bring him or another from the city.

Every equipment house of long standing has in its files records of special adaptations of standard equipment which when "engineered" became the means of closing the prospect for the truck salesman. There are many concrete examples in the experience of such houses indicating the value of such cooperation.

To the user of motor trucks who, according to all evidence, has justly become "equipment conscious," there is promise of much advancement in meeting his most particular demands in the near future.

#### Recent Models

**CLYDESDALE TRUCK CO.**, Clyde, Ohio: With resumption of production, Clydesdale announces new models, all 6-cylinders, in sizes of 1, 1½, 2½, 3½ and 5 tons. It is planned to have the factory under full schedule after the first of the year, with a minimum of 125 trucks to be turned out during the first three months.

**Federal Motor Truck Co.**, Detroit: Model DSW, a 2½-ton 2-wheel drive 6-wheel truck, is equipped with a 4-cylinder Continental engine, Warner gear, 4-speed unit mounted transmission, and full-floating spiral bevel Clark axle.

**Gramm Motors, Inc.**, Delphos, Ohio: Three models have been added—B, a 1½-ton and GW as the designation of two vehicles, of which one is a 4-ton unit and the other is a gasoline tractor.

**Mack Trucks, Inc.**, New York City: The latest addition to this line is Model

"AK six," designed for heavy duty service where greater speed and power are essential. It is powered by a Max 6-cylinder engine. Transmission has four speeds forward and one reverse and is driven by a single plate dry type clutch. Final drive is by either chain or inclosed gears. Brakes are on all four wheels and are of the expanding type; there are two independent sets, the foot braces being vacuum booster actuated and the hand lever operating a secondary set on the driveshaft. Standard wheelbase lengths of 174, 186 and 198 inches are available. (This model is illustrated on this page.)

**Stewart Motor Corp.**, Buffalo: A new 3-ton truck chassis, priced \$2,950, is equipped with 6-cylinder motor and 4-wheel brakes. The 4-speed transmission is standard.

#### Schon Paper on Taxation

**INCONSISTENCIES** in current State laws for regulation and taxation of motor trucks were condemned by Pierre Schon, sales engineer of the General Motors Truck Co., at the recent annual meeting of the Society of Automotive Engineers.

Mr. Schon presented a thorough analysis of truck problems existing in various States.

The engineers attending discussed the possibilities of developing in every State an organization of truck owners to protect the interests of the industry.

The Schon paper, "Motor Vehicle Legislation and Taxation," has been reprinted in pamphlet form and copies may be obtained by addressing the National Automobile Chamber of Commerce, 366 Madison Avenue, New York City.

#### La France Cuts Prices

The La France-Republic Corp., Detroit, has announced a new price—\$795 instead of \$990—on its Model A 6-cylinder heavy-duty 1-truck chassis. No modifications in its equipment were made in order to reach the new price level, according to a statement by the company.

#### Interstate Carriers Must Be Certificated—Pennsylvania Rules

**THE** Pennsylvania Public Service Commission has ruled that all interstate motor vehicle common carriers, either of freight or passengers, have no right to engage in either interstate or intrastate transportation over the Pennsylvania highways without first applying for or obtaining the certificate of the Commission.

The decision was handed down in the case of a bus company, but was declared to apply also to interstate common carrier freight operators.

#### Junking Program Is Urged by Tilt

**TO** eliminate from service motor vehicles which are inefficient to the extent of being unsafe, junking plans should receive the truck industry's serious consideration, in the opinion of C. A. Tilt, president of the Diamond T Motor Car Co., who urges users, dealers and manufacturers to cooperate in working out an adequate program.

While the junking problem had not assumed as serious proportions in the motor truck industry as in the passenger car industry, according to Mr. Tilt, "still there are even now many motor trucks which ought to be out of service because they slow up traffic when running, while some of them are unsafe because they require so much work done that owners do not consider the large investment involved to be worth while, particularly as no amount of expense would bring such trucks up to date." To quote further:

"Removing from the streets motor trucks that are unfit and will never be otherwise is a step that should be welcomed by manufacturers, dealers and operators in general. It would, incidentally, increase good will toward trucks on the part of the public. As for details of the plan to be followed, these should be worked out after a survey of the situation by a committee composed of manufacturer, dealer and user groups. All three of these classes are concerned in the junking problem. All of them should be interested in supporting a program that will get the desired results."

#### Motor Freight Line Enters Warehousing

**A**NOTHER motor freight organization, the Holland Highway Express, Inc., Columbia, Tenn., plans to enter the warehouse business.

E. C. Holland, of the Holland Transfer Co., recently purchased two local trucking firms and has filed a charter for the new firm which bears his name. It is capitalized at \$25,000, with 500 no par value shares of common stock, and will engage in transportation of freight, general hauling, moving and storage.

### Dodge Announces a Heavy-Duty Vehicle Merchandising Plan

A NEW national distribution arrangement known as the truck depot plan, an innovation unique in merchandising motor trucks, has been inaugurated by Dodge Brothers, Detroit.

Under this plan approximately 84 truck depots are being established in natural trade centers. These will be operated by established Dodge dealers.

The purposes are to facilitate prompt delivery of the new Dodge heavy-duty trucks to dealers and users in the trading areas; to bring adequate maintenance and parts service closer to all users regardless of location; and to provide a representative display of the wide range of Dodge truck models within easy reach of truck operators in all parts of the country.

### Wagner Is Identified With Dayton Terminal

PLANS for construction of a \$100,000 motor freight terminal at First and Taylor Streets, Dayton, Ohio, were announced on Oct. 6 after the Dayton Motor Freight Terminal, Inc., had obtained incorporation papers at Columbus.

The incorporators include Ray Wagner, who, operating executive of the Wagner Fireproof Storage & Truck Co., Springfield, heads the Wagner Highway Transportation Co., which operates from Springfield through the central part of the State.

The other incorporators are P. J. Altherr, of the General Motor Transportation Co., Dayton, and Jesse E. Gilbert, of the Dayton, Xenia and Wilmington Motor Line.

Identified with the new organization are the Union City Motor Line, Greenville and the Rismiller Truck Lines, Versailles.

The proposed terminal will be two stories high, with second floor offices, and will have loading platform with modern conveniences.

The corporation is capitalized with 500 shares of no par value stock.

### Highway Trailer

A NEW 3-ton semi-trailer known as the "Highway Champion" has been added to the line of the Highway Trailer Co., Edgerton, Wis. The list price is \$595 for the complete unit—\$395 for chassis, \$125 for stake body and \$75 for lower fifth wheel.

The frame embodies four pressed-steel longitudinal members and the subframe also. They are attached by a plate at the rear and a cross-member at front. Springs function exclusively at weight-carrying members, radius rods connecting rear axle to subframe. Springs ends are flat and slide in brackets, the front pair of which also hold the radius rods. Dolly wheels are thrown in or out of use by

a hand-operated lever. Dolly support rods are swiveled in brackets attached to the inside of frame members which provide four height adjustments. Wheels are demountable and dual pneumatic tires are standard.

### Kansas Would Check Long Trailer-Trucks

GOVERNOR CLYDE M. REED of Kansas has directed the State Highway Commission to study the problem of regulation of "long trailer-trucks and over-size vehicles," and the Commission has issued an order suspending special permits for operation of trailers used in transporting new automobiles, while present permits are being recalled.

The Governor has called on the Commission to submit its views "for the guidance of the coming session of the legislature for such legal action as may be necessary to protect the public interest."

### Warehouse Control of Motor Freight in Evansville, Ind.

DIRECTORS of the newly-organized Truck Terminal, Inc., in Evansville, Ind., include Tom Snyder, Indianapolis, secretary of the Motor Truck Association of Indiana, Inc.; C. A. Humphrey, owner of the Evansville Warehouse Co., Evansville, and Jacob Kohl, secretary of the Terminal Warehouse Co., Evansville.

The Bement & Seitz building at Riverside Avenue and Locust Street has been leased and will be operated as a public warehouse and as a motor terminal for fifteen lines.

The brick structure, four stories and basement, 75 by 150 feet, is being remodelled.

### Will Seek Michigan-Indiana Reciprocity

Michigan and Indiana State officials and truck operators attended a recent Indianapolis meeting of the Motor Truck Association of Indiana, Inc., and it was announced that "complete reciprocity" in treatment of truck owners would be sought. Differences over license requirements have been resulting in arrests of Indiana truck drivers in Michigan.

### California Ruling

The 1929 amendment to California's State motor vehicle act, requiring that a motor vehicle operator's license be cancelled in the event of failure within fifteen days to satisfy a judgment in an accident case, has been declared unconstitutional by the District Court of Appeals in Los Angeles.

When you ship goods to a fellow warehouseman—use the Warehouse Directory.

### Parker Replies to Queries Received on Legal Problems

(Concluded from page 36)

you could enlighten us on this subject.—*Brown's General Trucking.*

Answer: In some States and cities laws have been enacted requiring warehousemen to report the names and addresses of all persons for whom household furniture has been moved during the past week. Unless a law of this nature is in existence and is being enforced, your men are not required to impart this information to anyone.

Of course it would be advisable to give this information to a policeman or detective, because in refusing to do so your men may be interfering with investigations being made for the purpose of accomplishing the arrest of a criminal.

It certainly would be a poor policy to give this information to any and all persons who ask for it—particularly private individuals who would have no justifiable reason for desiring the information.

LEGAL EDITOR, *Distribution and Warehousing*: Will you kindly advise us on the following:

We have in storage some household goods, and the man that placed them in our warehouse has our storehouse receipt. A representative of a loan company says they hold a chattel mortgage on these goods and asks us to deliver to them on what they call a waiver, signed by the party who placed the goods in our warehouse.

What we like to know is whether we would be liable if we made delivery on the waiver which the loan company holds, or are we correct in demanding the original receipt for the goods properly endorsed to us to deliver to the loan company?—*Mayhew & Wedge.*

Answer: You would not be liable in delivering goods on a legal waiver providing the receipt is non-negotiable. Various Courts have held, however, that although you deliver goods on a Court order and a negotiable warehouse receipt is in circulation, you may be liable for making delivery without the receipt.

LEGAL EDITOR, *Distribution and Warehousing*: We have a case where we have injured a woman's piano and she refuses to let us repair it. We are perfectly willing to make good all damages but she wants money, and money only.

Can you refer us to any similar cases and how they have been settled?—*Smith's Transfer & Storage Co.*

Answer: In a recent case (232 S. W. 347) the higher Court held a warehouseman liable in damages equal to the difference in value of the goods before and after the injury. In other words, this Court held that the owner of merchandise damaged during transportation may recover from the mover a money judgment.



### Philadelphia Files Brief in Eastern Freight Rate Case

NEW freight rates deemed discriminatory against Philadelphia, in favor of New York and Baltimore, which were to have gone into effect on Nov. 1, will not be in operation until Feb. 1 at the earliest. Announcement has been made at Washington that Philadelphia will be allowed the ninety days additional in which to wage its fight against the Eastern Class freight rate revision. Postponement, as announced by the Interstate Commerce Commission, was due to the inability of the railroads to list new tariffs within the required period. The commercial interests of Philadelphia, city and port, were on the point of filing a protest when the announcement came. The brief has been filed with the Commission, all the same.

"The ninety-day delay will make little difference," according to City Solicitor Ashton, "and we shall prepare for action."

The rate brief was signed by Mayor Mackey, City Solicitor Ashton, Assistant City Solicitor G. Coe Farrier, for the city; and by Philip H. Gadsden, chairman, and M. R. Beaman, secretary of the joint executive committee of Philadelphia commercial organizations. It is understood that, if necessary, the Port of Philadelphia advocates will carry their fight to the United States Supreme Court.

### "Invalid and Improper"

The rate brief, in its conclusions, says that the decision in the rate case "violates the constitutional rights of the City of Philadelphia and operates as a destruction of value of its capital investments and assets in port development and, as such, as a matter of law is so unreasonable as to be invalid and improper." The concluding appeal, after the case had been made for Philadelphia, says:

"Your petitioners respectfully represent to your honorable Commission that your decision on the complicated questions involved has been arrived at without due regard to the physical conditions, both natural and artificial, bearing upon the relation of the various rates, and especially so as between the cities of Baltimore and Philadelphia."

The consequence to the domestic, import, export, coastwise and intercoastal traffic, it is contended, will be such as to imperil the value in the city of Philadelphia of artificial or fabricated and constructed shipping facilities of a permanent nature, of a value in excess of \$100,000,000.

"This consequence," continues the appeal, "violates the constitutional rights of the city of Philadelphia and operates as a destruction of the value of its capital investments and assets in port development and as such, as a matter of law, is so unreasonable as to be invalid and improper."

The brief asks the Commission to re-

### Directory Information

**D**ID you have notarized the Information Sheet you sent for the 1931 Warehouse Directory? If not, ask for its return. Only notarized information will give you a Starred listing—and the Directory consultant gives the Starred listing prior consideration.

open for further evidence, rehearing, or reargument its entire Eastern Class rate case insofar as it affects Philadelphia.

### Armstrong Co. Incorporates

The Armstrong Transfer & Storage Co., organized in 1908 by A. D. Armstrong and later purchased by W. W. Ellison, in Amarillo, Tex., has been incorporated with a capital of \$30,000. Mr. Ellison is president, A. B. Ellison is secretary, and William C. Boyce is treasurer.

### Wanted

**M**ANAGER for a river and rail terminal and warehouse at Evansville, Ind.

Age between 30 and 40 years. Must have had experience in soliciting and handling warehouse freight and in dealing with railroad traffic.

Address Mead Johnson Terminal Warehouse Corporation, Evansville, Ind.

### Baier Co. Continues

The Baier Transfer & Storage Co., a Detroit firm founded by Fred J. Baier, its president who died recently, will continue its business "without interruption or change of ideals or policies," according to an announcement made by Millie F. Baier, sister of the late executive.

The organization is now under the direction of Millie F. Baier, who was always associated with the company as secretary and treasurer, and the staff of officers and the employee personnel remain unchanged.

### Small Blaze in a Bekins Plant

Fire on Sept. 29 caused about \$1,000 worth of damage in the shipping and packing section of the warehouse of the Bekins Van & Storage Co. at Fourth Street and Central Avenue, Los Angeles. The flames did not reach storage space. Smoke and water were the major cause of the damage.

### Building Doctors Operate on a Big Chicago Terminal

(Concluded from page 21)

a ten-year lease for rights to erect one of the largest electric signs in the country over its space.

When the entire project is completed, the east half of the twin building will be the only industrial structure from South Chicago to Waukegan that will be situated east of the drive skirting Lake Michigan in the Chicago area.

The work on the building has been completed, while the boulevard, inclusive of the bridges, is to be opened to traffic during the spring of 1932. This latter work is in the hands of the Lincoln Park Commissioners, representing the north side, and the South Park Commissioners, representing the south side, as is the case of all north and south side boulevard work in the City of Chicago.

Although this remodeling program has been costly and has necessitated the loss of much valuable floor space, the completed project will have no untoward effects on the shipping facilities of the North Pier Terminal. On the contrary, the bridge running through the center of this property will place the Terminal in closer proximity to the central business section of Chicago—the Loop district. Again, what was once warehouse room has been converted into showroom and office space overlooking Lake Michigan—far out beyond what was formerly the shore line and away from the hemmed-in and cramped-up congestion of the city, and away from the dust and dirt and smoke.

### Evansville to Have River-Rail Terminal

Construction of the Mead Johnson River-Rail Terminal, on West Ohio Street at the foot of Ninth Avenue, Evansville, Ind., is progressing so favorably that it should be opened for business late in November or early in December, according to the builders. The structure, on the site of the old Kelly barge line property, will be 118 feet wide, 413 feet long and 62 feet high, of structural steel, glass and corrugated asbestos, with concrete floors. It is the first unit of an industrial project involving \$400,000.

Electrically-operated cranes will be suspended from the roof, each having a transportation capacity of ten tons and a traveling speed of 500 feet a minute.

The Johnson interests will erect an adjoining bonded warehouse for general storage. This will be of steel, concrete and brick, one story and basement, 151 feet wide and 585 feet long. General offices and modern freight handling equipment will be installed. Loading docks will be constructed for trucks and railroad switching facilities will be provided.

Mead Johnson, Sr., is head of the Mead Johnson Company, local manufacturers of baby foods.

### Congress to Be Asked to End Free Storage at the Railroad Piers

THE problem of free storage of freight on railroad waterfront piers was discussed by the Shippers' Conference of Greater New York at a meeting on Oct. 15 but the Conference declined to approve officially the legislation which, the shippers were told, will be offered Congress in the form of a House bill.

Charles E. Cotterill, a member of the Conference and counsel for the New York Dock Co., and who is counsel for the American Warehousemen's Association, read a bill which he has drafted at the request of members of Congress and which is designed to replace the McDuffie bill now pending.

The Cotterill measure is designed to fix a charge for services which certain railroads furnish without charge at wharves, docks and piers.

Warehousemen, Mr. Cotterill told the shippers, faced unfair competition with the railroads and he said his bill would oblige the rail carriers to make fair charges, under the supervision of the Interstate Commerce Commission, to cover the costs of services.

Discussion of the bill developed a sentiment among many of the shippers in favor of the present situation, and the Conference did not act on the measure.

The Cotterill bill provides a charge at the piers sufficient to cover the cost of the service. The exact rate would be fixed by the I. C. C., but the bill is worded in a manner that would permit the railroads to lower the rate if competing warehouses cut their rates. The city-owned piers and privately-owned warehouses were the victims of the system now in effect, Mr. Cotterill said.

An attempt was being made to stabilize the rates on import and export traffic, and civic groups and commercial bodies such as shippers and warehousemen were, Dr. Cotterill said, being canvassed on the plan proposed by his bill. The measure had been approved by the American Warehousemen's Association and by the Warehousemen's Association of the Port of New York, he told the group.

Some of the shippers attending the meeting said that their companies would lose heavily if the railroads were forced to charge for their pier service.

The rates which the railroads would be forced to fix would be arranged, under the Cotterill bill, "not to unduly burden the general revenues of such common carrier or to operate as a concession to or undue advantage of particular shippers directly or indirectly."

It provides also that nothing shall prohibit the railroads from fixing their dockage rates at "less than the maximum of reasonableness which shall be made necessary by reason of competition, but which shall not be less than the extra expense to which such common carrier may be put in providing such dockage service."

The situation would, Mr. Cotterill told the group, be considered later by traffic

experts in order that a consensus be obtained before the bill is introduced in Congress. He expressed hope that the subject would not be confused with the problem of free lighterage which is now the cause of friction between New Jersey and New York.

"Let us keep the lighterage problem out of Washington, where it might become a political football," he said. "We can settle that by ourselves."

The lighterage problem concerns the free moving of freight by lighter from rail ends in New Jersey to points in Manhattan and Brooklyn. New Jersey interests argue that free lighterage to New York has brought a higher rate on shipments to New Jersey than is proper in view of the service.

### Position Wanted

**BY** woman with long and successful experience as manager of a household goods warehouse company.

Expert knowledge of storage business and long distance moving. Has wide contact and friendships with the industry's leading executives throughout the country. References.

Address Box R-638, Distribution and Warehousing, 249 West 39th Street, New York City.

### Queensboro Company Enlarges Activities

The Jamaica Terminal Corp., a subsidiary of the Queensboro Storage Warehouse of Jamaica, Inc., Jamaica, N. Y., has broken ground for a unit which will duplicate the one erected three years ago.

The new plant will be six stories high, of steel and concrete, and will be built by the Turner Construction Co. Each floor will have about 10,000 square feet, or a total of 60,000 square feet.

The Jamaica Terminal Corp. will serve as the merchandise storage and distribution branch of the Queensboro company. It is planned to establish store-door delivery of merchandise for all of Long Island. The board of directors of both organizations will be the same and each firm will be under the management of Frank E. Holmes, who has been operating the Queensboro company since its formation in 1928.

### Miami Firm in New Warehouse

The Flash Express & Storage Co., Inc., Miami, has moved into its new reinforced concrete sprinklered warehouse at 48 North West 7th Street, with a Florida East Coast private railroad siding. The building, with 3,000 square feet, is used for storage of both merchandise and household goods.

### California Finds Warehousing Helps State's Financing

(Concluded from page 30)

since its establishment was authorized by the Legislature in 1921, according to L. M. Jeffers, Chief of the Bureau of Field Crops, who has bonded warehouse supervision in charge.

"These warehouses," he said, "are playing an increasingly important role in the economical financing of the storing, processing and distribution of many California commodities. Their maintenance makes possible the distribution throughout the State of millions of dollars which, handled through the Federal Intermediate Credit Bank and the Federal Reserve Bank, serve to protect loans made by these institutions as well as loans made by the commercial banks of the State."

"Particularly popular for handling of staples, California bonded warehouses now are handling grain, rice, seeds, olives and olive oil, canned fruits and vegetables, grape products, dried prunes, apricots, dried peaches and figs, raisins, cotton seed and cotton seed oil."

### Moving Quiet in New York

New York City around the Oct. 1 period experienced probably the quietest moving in a decade. Customary delays and congestion were noticeably absent. Moving van estimates and gas companies' figures indicated the smallest number of removals in several years.

A growing tendency on the part of tenants to have leases begin and end at other times than Oct. 1 was seen by realty men as one cause of the decrease. Also fewer new buildings were available than normally in most sections of the city. Moreover many families apparently adopted the policy of moving several days ahead of the usual date, to avoid the rush.

### Bekins Moving Van Business Increases

Statistics compiled by Milo W. Bekins, Los Angeles, president of the Bekins Van & Storage Co., operating household goods depositories in California cities, show the firm's vans moved the household effects of 14,476 families into homes in Los Angeles, Glendale and Beverly Hills during the first eight months of 1930. This is a 15 per cent increase over the corresponding period last year.

The greatest percentages of the arrivals were from the territory contiguous to New York, with Europe producing large numbers, including former expatriates, according to Mr. Bekins, who states that a majority of the newcomers did not store their goods, but ordered them direct to homes.

## I.C.C. Hearings on Vehicle Regulation Will Begin Nov. 17

(Concluded from page 19)

Nov. 17—Coronado Hotel, St. Louis.  
Nov. 21—Chamber of Commerce rooms, Kansas City.  
Nov. 28—Baker Hotel, Dallas, Tex.  
Dec. 3—Hotel St. Charles, New Orleans.  
Dec. 8—Atlanta Biltmore Hotel, Atlanta.  
Dec. 11—Hotel Statler, Detroit.  
Dec. 15—Statler Hotel, Boston.  
Dec. 18—Merchants' Association rooms, 233 Broadway, New York.  
Jan. 5—Sherman Hotel, Chicago.  
Jan. 12—St. Paul Hotel, St. Paul.  
Jan. 19—Olympic Hotel, Seattle.  
Jan. 22—Multnomah County Court Rooms, Portland, Ore.  
Jan. 27—Merchants' Exchange, Room 237, San Francisco.  
Feb. 2—California Railroad Commission, Associated Realty Building, Los Angeles.  
Feb. 9—Public Utilities Commission, Denver.  
Feb. 14—Hotel Paxton, Omaha.  
Mar. 4—Interstate Commerce Commission, Washington.

All the hearings are scheduled to begin at 10 a.m., standard time. It may be necessary to change some of the dates and it is possible that other cities will be added. If so, due notice will be given by the Commission.

A number of State utilities commissions probably will cooperate with the I. C. C. in the investigation. They have been invited to have representatives present at any of the hearings.

The Commission has tentatively outlined the order in which evidence will be received at the various hearings. First to be heard will be common carriers subject to the interstate commerce Act. Next will be other common carrier operators of motor busses or trucks. "Other parties in interest" will be heard last. The presiding commissioner or examiner has been authorized to vary this order at his discretion.

Each respondent to the proceeding (all common carriers subject to the interstate commerce Act) has been notified by the Commission to "produce witnesses competent to give testimony as to the matter of this investigation" if it participates directly or indirectly in motor vehicle operations.

The hearing will be confined primarily to the announced subject of the investigation—namely, coordination between common carriers subject to the Act and common carriers by motor vehicle, the Commission said. Testimony offered at the hearings should be confined to factual statements, it was made clear, as arguments can be embodied in briefs which all parties will have opportunity to file. The hearing scheduled for Washington next March probably will be sort of a "round up" affair, to give those who failed to be present at the previous hearings an opportunity to put in their evidence.

Altogether it looks as though the Commission is out to get the facts and that some very definite recommendations will come out of the present investigation. They cannot be expected very soon. They probably will not be ready for more than a year, but when they do come they should give Congress something concrete on which to frame whatever legislation may be needed.

In its previous inquiry the Commission went into the operation of both trucks and busses, but it then recommended that Congress legislate only for the regulation of busses. The time was not ripe, the Commission then decided, to place motor truck traffic under its jurisdiction.

The House Committee on Interstate and Foreign Commerce held this same view, and in framing the Parker bill, included only bus lines. There was some talk in the brief debates which followed, both in the House and Senate, of amending the bill to include truck lines.

The bill is now the unfinished business of the Senate, and under the rules of that body should be taken up early in the coming session. There is quite a substantial following in the Senate which believes that the measure should be amended to include motor trucks as well as busses. It is quite possible that the legislators will decide to let things stay as they are until the Commission completes its investigation.

The real purpose behind the inquiry is believed to be the desire of the Commission to find out just how much trucks and busses are hurting the railroads—as they undoubtedly are.

Under the interstate commerce Act, the Commission is given a sort of protectorate to exercise over the railroads. The Act gives the Commission the duty of so regulating the railroads that their net return will be as near to 5% per cent on their investment as possible.

It may develop that truck and bus competition has increased to such an extent that it is now exercising an appreciable influence on the railroads' net returns. If such is the case, the Commission may feel that it is time to put truck lines beneath its protecting wing, so it may keep an eye on both rail and motor transportation.

There is a belief here that Federal regulation of interstate truck and bus lines is bound to come some time. This sentiment is well expressed by the House Committee on Interstate and Foreign Commerce in its report to the House on the Parker bill:

"The principle of Government regulation of public utilities has been generally adopted in this country, both in Federal and State matters. The enactment of legislation of the character proposed will be merely the extension of this principle to a utility which, although comparatively new, is one which is developing with great rapidity in all parts of the United States and bears a close relation to the public interest."

## Patterson Co. Plans

Following preparation of revised plans, the Patterson Transfer Co., Memphis, Tenn., has filed application for permission to erect an \$80,000 two-story fireproof concrete warehouse at Georgia Avenue and Pennsylvania Street. The building, with access to the tracks of several railroads, will be 280 feet by 193 feet. Construction starts immediately.

## Warehousing Chapter in Eastman Book for Alexander Hamilton

STUDY of public warehousing will be included as part of the new course of the Alexander Hamilton Institute, New York.

Chapter XVI of a 375-page book called "Marketing Geography" is titled "Geographic Factors in Warehousing." The volume is by R. O. Eastman, of R. O. Eastman & Co., New York research and marketing experts.

Mr. Eastman was at one time secretary and manager of the old National Distributors' Association, organized some years ago to serve sales and traffic managers of manufacturing companies which route their products through public warehouses.

The chapter on warehousing, running about 3,600 words, deals with the modern merchandise warehouse's marketing functions; the need for warehouse services by various businesses; historical background of the storage industry; conditions which enhance the importance of warehousing; public warehouse services; warehouse stocks and shipments, and how shippers can determine the number and location of warehouse points needed for economic distribution; and it points out the ways to select warehouses properly. For the shipper not familiar with public warehousing, the chapter clears away some of the misconceptions.

## Mountcastle Heads Knoxville Company

THROUGH reorganization of the directing personnel of the Knoxville Fireproof Storage Co., Knoxville, Tenn., Eugene Galyon retires as president and from active business in order to regain his strength.

The new president is Paul Mountcastle, associated with the Mountcastle-Hill Co., wholesale shoe manufacturers. Mr. Mountcastle was made president also of the Motor Truck Terminal Corp. which Mr. Galyon organized some months ago.

V. L. Nicholson was reelected vice-president and Miss Aleen Weigel was reelected secretary-treasurer. Directors, in addition to the officers, are A. H. Steere, Edward M. Vestal, E. V. Cullum and T. W. Sullivan.

The company's motor freight terminal, it was stated, has tripled its business in six months and now operates associate terminals with local managers in Chattanooga, Cleveland, Johnson City, Bristol and Kingsport, all in Tennessee.

## B. W. Selby Manager of Hollywood Firm

Announcement is made by the Hollywood Storage Co., Inc., Hollywood, Cal., that Benjamin W. Selby, for the past three years connected with the firm, has been appointed manager. He succeeds Mrs. Myda L. Shattuck, recently resigned.



### Herbert N. Bragg Organizes His Own Forwarding Firm

THE H. N. Bragg Forwarding Co., Inc., has been organized in New York by Herbert N. Bragg, who on Oct. 15 resigned as general eastern manager, with New York offices, of the Trans-Continental Freight Co. The new organization is specializing in the shipment of household goods by rail or water, the water movement being via the Panama-Pacific Line, Pier 61, North River, to Pacific Coast points by way of the Panama Canal.

Mr. Bragg, who had been with the Trans-Continental for fourteen years, is president and treasurer of the forwarding firm which bears his name. H. G. Bragg is vice-president. Miss E. E. Finkelday, who was H. N. Bragg's secretary while with the Trans-Continental, is the company's secretary. John Mullin, formerly a Trans-Continental solicitor, also has joined the Bragg organization, to carry on the same work.

Offices have been established at 103 East 125th Street.

Business started with a rush, according to Mr. Bragg, as about 75,000 pounds were handled on two boats late in October, consigned to Los Angeles, San Francisco, Portland and Seattle.

Mr. Bragg, who is widely known in household goods warehousing by reason of his steady attendance at the conventions of the National Furniture Warehousemen's Association, started his business career with the New York Central Railroad Co. as a messenger boy delivering arrival notices, at \$30 a month. He became storage clerk and was later placed in charge of the entire 33d Street storage plant of the railroad. He resigned to enter the automobile business but returned to the railroad's passenger department and remained there until he joined the Trans-Continental. For the final eight years his position as general eastern manager included supervision of the Trans-Continental offices in New York, Philadelphia, Boston, Baltimore and Washington.

Announcement is made by M. J. Murray, Chicago, vice-president and general manager of the Trans-Continental, that John J. Schlarb has been appointed manager at New York.

### Cold Storage Men Urge Labelling of Poultry in Boxes

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

THE Bureau of Agricultural Economics of the Department of Agriculture has asked cold storage warehousemen and poultry packers to cooperate in the furnishing of more adequate monthly reports on the cold storage holdings of poultry.

There is too large a proportion of "miscellaneous poultry" presented in reports now, the Bureau said. The description,

which is regarded as too indefinite, covers all poultry not invoiced into storage as to class or grade. The Bureau regards the description as too general to be of practical value to the poultry industry.

Warehousemen have informed the Bureau that, because of the absence of class and weight marks on the boxes, and because of the custom of invoicing poultry put into storage as "dressed poultry," it is impossible for them to report it as other than "miscellaneous poultry."

They contend that if poultry packers would label the boxes and if firms which store poultry would invoice it into cold storage in accordance with the classes and weights marked on the boxes, it would be possible for them to report to the Bureau the correct weights for each class.

The Bureau is asking poultry packers and firms which store poultry to comply with the practice suggested by the warehousemen.

—Stephens G. Rippey.

### Bailey, New Head of Kansas Association

Owing to ill health, A. B. Shaffer, Independence, Kan., has resigned as president of the Kansas Warehouse & Transfermen's Association. He has been succeeded by J. L. Bailey, manager of the L. R. Bailey Transfer & Storage Co., Emporia. Mr. Bailey was vice-president representing the association's household goods division.

### In St. Louis Now— from Motor Terminal to Public Warehouse

THE Interstate Union Truck Terminal Warehousing & Distributing Corporation, 510 South Third Street, St. Louis, has been formed as a result of a merger between Union Depot Co., and the Interstate Terminals Co. The combined companies will operate 26,250 square feet.

The new corporation has a capital of \$25,000 and has increased the number of its employees from 15 to 25. The terminal will be equipped to receive inbound carloads of merchandise for distribution throughout the St. Louis trade territory. The company's trucks will serve 518 towns and cities in nine States.

The officers of the company are Walter F. Boggeman, president; William Armstrong, vice-president, and Robert Matthews, secretary-treasurer.

The merger has resulted in the largest trucking terminal in the Midwest, according to George C. Smith, director of the industrial bureau of the Industrial Club of St. Louis.

When you ship goods to a fellow warehouseman—use the annual Warehouse Directory.

### Warehousemen Win "Allowances" Case in Philadelphia

BY a division of two to one of its judges, a special Federal Court of Equity has sustained the Interstate Commerce Commission order directing the Pennsylvania, Reading and Baltimore & Ohio Railroads to stop a forty years' practice of paying "special allowances" to twenty-four warehousing companies of this city, for handling inbound and outbound carload package freight.

It was held by District Judges J. Whitaker Thompson and Oliver B. Dickinson, constituting the majority, that the allowances, though provided for in contracts made when such transactions were not illegal, have become unlawful rebates under Interstate Commerce Commission law.

Circuit Judge Joseph Buffington, in dissenting views, strongly advocated that the practice be allowed to continue as being of great benefit to the trade and commerce of the city and to the public.

The decision, which was made in a test case filed by the Merchants' Warehouse Co., the Pennsylvania Warehousing & Safe Deposit Co., and the Philadelphia Warehousing & Cold Storage Co., is regarded by numerous trade and commercial organizations here as being a severe blow to their business, to local commerce generally, and to the public.

The decision was based on the legal aspect of the case that the "special allowances" are unjust discrimination against independent warehouses which instigated the proceedings before the commission.

Judge Buffington took the position that the independents' victory is an empty one, inasmuch as there is no law compelling the railroads to appoint any warehouse as a freight station, to which special allowances were made.

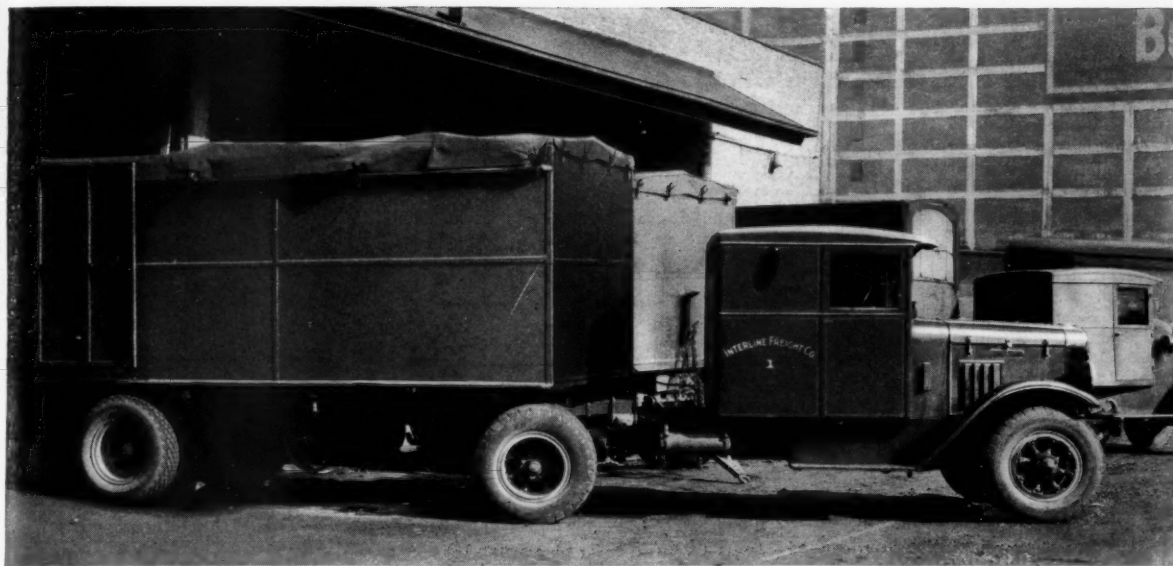
### Union Company Opens a Cold Storage in Fargo

A combination cold storage warehouse for the Union Storage & Transfer Co. and a creameries plant for the Armour company has been opened for business on the Northern Pacific right-of-way in Fargo, N. D.

The Union company was established in 1906 and has been operating a merchandise and household goods storage business. Its new cold storage division is said to have "the first commercial cold storage plant in North and South Dakota and Montana." Western apples and butter, eggs and poultry originating in North Dakota will receive storage-in-transit privileges.

Of latest design, the Union's building is of fireproof concrete and steel construction, with heavy duty floors and a cooling and ventilating system. On a Northern Pacific siding of ten-car capacity, the warehouse is 100 by 115 feet, with full basement and four floors, affording a capacity of 260,000 cubic feet of cold storage space.

# Heavy-Duty Trucks of the Hour



## Sturdy Well-Built Hauling Units That Last

### Brief Facts About the New Internationals

**ENGINE:** Valve-in-head; overhead camshaft; powerful, simple, and unusually accessible.

**CLUTCH:** Single plate with built-in vibration damper.

**TRANSMISSION:** 5 speeds forward, 2 reverse.

**FINAL DRIVE:** Double reduction herringbone gear type.

**SPRINGS:** Semi-elliptic, front and rear. Auxiliary rear springs, quarter-elliptic.

**BRAKES:** 4-wheel mechanical.

The International Line also includes Speed Trucks for  $\frac{3}{4}$ , 1,  $1\frac{1}{2}$ , 2 and 3-ton loads.



**A**LWAYS ahead of the procession—International now offers a line of new Heavy-Duty models. You are bound to like them from the word go! The first view of the fine, strong, handsome lines of the new W-Series on our showroom floor will tell you a great deal. Nothing on the road can beat these trucks in appearance—and that goes for performance, too.

As for the hidden factors—*power, speed, stamina, driving ease, flexibility, and economy*—take our word for it that these trucks will give you a new idea of heavy hauling satisfaction.

The new Heavy-Duties range from  $2\frac{1}{2}$  tons up. Each size has 5 forward and 2 reverse speeds and of course every International truck has 4-wheel brakes. Bodies for every need, from dump-truck service to fast cross-country hauling. See the new trucks at the nearby showroom.

INTERNATIONAL HARVESTER COMPANY

OF AMERICA  
(INCORPORATED)

606 SO. MICHIGAN AVE.

CHICAGO, ILL.

# INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

### Rulings on the Transportation of Explosives

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

THE United States Bureau of Mines has drawn up a set of regulations governing the transportation of explosives in motor trucks. The regulations, of course, apply only to employees of the Bureau, but they have been made public in the hope that they will be adopted by others who transport dangerous explosives by automobile.

In announcing the regulations, the bureau said they were designed "to insure the safest conditions possible in the transportation of explosives in motor vehicles." They were prepared by C. W. Owings, associate engineer, and J. M. Harrington, senior foreman miner, of the Bureau. They follow:

"When used in hauling explosives the vehicle must be placarded 'High Explosives—Dangerous' and it must conform with any other regulations, laws or ordinances of the Interstate Commerce Commission and of the States, municipalities, and communities through which it is to pass.

"Before explosives are loaded into a vehicle the body of the vehicle should be thoroughly swept.

"Vehicles must always be kept in first class repair.

"Boxes of explosives must be so arranged and stayed in the body of the vehicle that they cannot shift during transportation.

"The containers of explosives must be protected from exposure to the sun's rays, rain, snow, etc. They should rest upon and be covered by a canvass or tarpaulin. Preferably they should be placed and locked in a large covered box or compartment; the inside surfaces should be wholly of wood. The box or compartment must be located as far as possible from the engine and effectively insulated from it and from all sources of electricity. The engine exhaust must be pointed downward.

"No detonators or electric detonators should be hauled with explosives, except when going to make a demonstration; to fire a blast, or in the collection of field samples, and then the detonators or electric detonators must be placed in such a receptacle and at so remote a distance from the explosives in the vehicle that the explosion of the detonators, or electric detonators, could not induce the explosion of the explosives through the intervening barricades. In order to prevent any accumulation of static electrical charges on the truck a metallic chain sufficiently long so that at least four inches of its end will drag upon the ground should be attached to the rear end of the truck or motor vehicle.

"No metallic objects, such as tools and machinery, or heavy masses, should be hauled in the same vehicle with explosives, or with detonators, or electric detonators.

"No vehicle containing explosives shall

be left until the motor has been stopped and the brakes set. Safe practice requires that there should always be a guard on a vehicle containing explosives.

"During haulage of explosives avoid as much as possible congested thoroughfares, places where crowds are assembled, street car tracks, and dangerous crossings.

—Stephens Rippey.

### Wisconsin Co. Moves

The Wisconsin Storage Co., for many years in a warehouse at 138 Seventh Street, Milwaukee, has gradually moved its storage lots from the downtown district to a new brick building at Thirty-sixth and South Pierce Streets. At the new structure are track facilities for handling four freight cars at a time, and space for garaging trucks. The building, fitted for open lots as a rule, is about 100 by 120 feet in size.

### Thomas Y. Leonard Heads Buffalo Firm

THOMAS Y. LEONARD, formerly president of Leonard-Detroit Storage Co., Detroit, and who was at one time treasurer of the National Furniture Warehousemen's Association, has actively re-entered the household goods storage business as president of the T. Y. Leonard Storage Co., Inc., succeeding the Leonard Warehouses of Buffalo, Inc.

The Leonard Storage Warehouses of Buffalo, which was headed by W. F. Dunlap, Mr. Leonard's son-in-law, has been reorganized under the new name, and Mr. Dunlap is vice-president. William T. Watson is secretary.

### Hidden Co. Builds Seven Warehouses

Seven warehouses with a total of about 130,000 square feet of floor space are being built near the Chesapeake & Ohio merchandise piers in Newport News, Va., by the Hidden Storage & Forwarding Corp. at a cost of \$175,000. One unit has been completed and work on the others is being pushed.

The new plants are to take care of increased expansion of export and import trade through the port.

### George Hunter Weds

George Hunter, youngest son of J. F. Hunter, proprietor of the Hunter Transfer & Storage Co., Texarkana, Ark.-Tex., and Miss Marie Gerbino were married early in October. The younger Mr. Hunter is identified with the Gulf Refining Co.

### Cold Storage Holdings Are Below Last Year's and the 5-Year Average

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

COLD storage holdings of creamery butter, poultry, meats and lard on Oct. 1 were less than those of a year ago and below the Oct. 1 average for the last five years, according to the Bureau of Agricultural Economics.

Stocks of creamery butter on hand were reported at 130,753,000 pounds, compared with 158,541,000 pounds a year ago and a five-year average of 134,704,000 pounds. Total holdings of frozen poultry amounted to 46,912,000 compared with 61,976,000 pounds last year and a five-year average of 47,574,000 pounds.

Storage meats amounted to 592,704,000 pounds compared with 732,556,000 pounds a year ago and a five-year average of 644,459,000 pounds. Lard stocks amounted to 59,530,000 as compared with 153,690,000 pounds a year ago and a five-year average of 115,188,000 pounds.

Holdings of case eggs totaled 9,169,000 cases, compared with 7,195,000 cases a year ago; apples, 496,000 barrels, compared with 735,000 barrels; 1,956,000 boxes, compared with 901,000 boxes; 1,800,000 bushel baskets, compared with 1,793,000. Frozen and preserved fruits totaled 80,781,000 pounds, compared with 61,348,000 pounds a year ago.

—Stephens Rippey.

### Colonial Has Succeeded Central in Worcester

The Colonial Warehouse & Distributing Co., newly organized in Worcester, Mass., took over, on Oct. 20, the business of the Central Warehouse & Distributing Corporation, operating a merchandise storage business at 122-124 Central Street and 113 Thomas Street.

J. I. Doyle is president, in succession to M. A. Barrett of the Central firm, and G. E. Bartucio is vice-president and treasurer.

The Central was established in 1923 and held membership in the Massachusetts Warehousemen's Association.

### Milwaukee Firm to Build Plant

Work is to be started at once on a \$250,000 addition to the Terminal Warehouse Co., Milwaukee, following the action by the city's Common Council in annulling the veto of Mayor Hoan and the vacating of a strip of property on South First Street between West Seaboth Street and the Milwaukee River.

The new unit will be 62 by 120 feet, five stories high, and will add about 360,000 cubic feet to the company's storage space, raising the total to 2,000,000 cubic feet for cold and dry storage.



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Now ready—a book of Average Motor Truck and Trailer Costs. Filled with figures that you'll find helpful in reducing your Overhead Costs. Unusually complete and right up to date. Write us for your copy—no obligation.

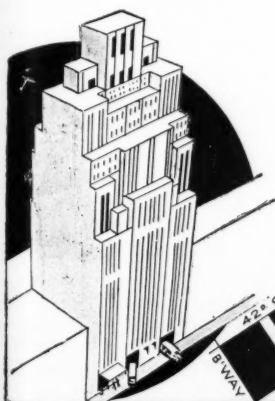
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10936 Harper Ave., Detroit, Michigan

# Hotel Dixie

42<sup>d</sup>-43<sup>d</sup> Streets West of Broadway

A New and Better Hotel for Times Square



Not alone new in construction and equipment, but new in conception of service and comfort to its guests. Directed by S. Gregory Taylor, who has made such enviable successes of the Hotels Montclair and Buckingham.

### Single Rooms

with tub and shower

**\$3, \$4 and \$5**

### Double Rooms

with tub and shower

**\$4, \$5 and \$6**

A few terraced rooms and suites, exceptionally large closets, on an attractive monthly basis.

### RADIO IN EVERY ROOM

Entrances on 42nd and 43rd Sts.

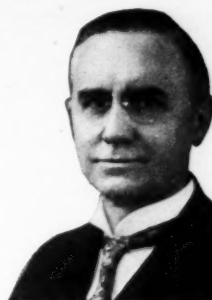
## CENTRAL UNION BUS TERMINAL

LOCATED IN THE DIXIE HOTEL BUS CONNECTIONS FOR ALL POINTS IN THE UNITED STATES

A Message

from

B. A. Gramm



MR. B. A. GRAMM  
President and Treasurer  
Gramm Motors, Inc.,  
Delphos, Ohio.

Dean of the

Motor Truck

Industry

## A GOOD NAME

'Twas Shakespeare who wrote:

"He who steals my purse steals trash,  
But he who robs me of my good name  
Takes that which enricheth him not  
But leaves me poor indeed."

That is why I am proud of the name of Gramm for in all my thirty years experience in manufacturing motor trucks, the name of Gramm has been emblematic of fine truck equipment.

It has been my aim since 1900 to be faithful to the truck user. As a result, the Gramm nameplate on a truck is the greatest assurance to its owner of real dependability and low operating cost per ton mile.

DON'T EXPERIMENT—BUY A GRAMM.

Each chassis admirably sustains the Gramm slogan:

"POWERFUL AND FAST—  
BUILT TO LAST!"

*B. A. Gramm*

## GRAMM MOTORS, Inc.

Builders of fine Motor Trucks, Vans, Buses,  
Specialized Chassis for Fire Apparatus

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### EXPORT

Willys-Export  
Corporation

Toledo, Ohio,  
U. S. A.



### EXPORT

Willys-Overland  
Crossley, Ltd.

Stockport,  
England

## New Incorporations as Announced Within the Storage Industry

### Alabama

**ALBERTVILLE**—Albertville Transfer Co. Capitalization, \$2,000. Incorporators, W. E. Walker, T. E. McElrath and C. E. Morton.

### Connecticut

**Bridgeport** — Security Storage & Warehouse Co. Paid in capital, \$1,000 in cash and \$20,000 in property. Florian A. Morris of Milford is president and Richard Offel of Bridgeport is treasurer. Incorporators, Catherine M. Donovan, Thomas J. Happell and Helen Schwartz.

### Illinois

**Chicago**—Hub Storage & Finance Co. Storage warehouse. Capital, \$40,000 and 4,000 shares of no par value stock. Incorporators, Samuel L. Cohn and J. Kosbie. Address, 2309 South Keller Avenue.

### Indiana

**Evansville**—Truck Terminal, Inc., 901 Main Street. Incorporators, Tom Snyder, Indianapolis, secretary of the Motor Truck Association of Indiana, Inc.; Jacob Kohl of Evansville, E. K. Hargis of Tell City, A. C. Hancock of Morganfield, Ky., and J. W. Childress of Henderson, Ky.

**Indianapolis** — Buffalo Distributing Terminals, Inc. Storage warehousing and motor freight, etc., in Indiana and other States. Capital, 750 shares of no par value stock. Incorporators, R. D. Brown, W. H. Burkhardt and D. Rinehart, all of Indianapolis.

### Massachusetts

**Boston**—Boston Distribution Terminal, Inc. Storage warehouses and terminals. Capital, 5,000 shares of no par value stock. Anthony Brayton is president and Grafton L. Wilson, 60 State Street, is treasurer.

**Boston**—Eagle Motor Freight Service, Inc. Warehouse and trucking service. Capital, \$100,000. Kenneth V. Hutchings is president and Charles L. Silverman is treasurer.

**Malden**—Malden Ice Co. Cold storage warehouse and ice plant. Capital, 2,000 shares of no par value stock. Frederick L. Weston is president and Margaret C. Callahan, 50 State Street, is treasurer.

### New York

**Buffalo**—Amaco Warehouse Corporation. Storage Warehouse and transfer. Capital, 250 shares of no par value stock.

**Franklinville**—A. & W. Storage & Transfer Co. Capital, \$15,000. Principal incorporator, J. S. Pierce.

**Lyndonville** — Orleans Warehousing Corporation. Capital, 160 shares of no par value stock.

**New York City**—Allied Storage Warehouse Corporation. Storage warehousing. Capital, \$20,000. Incorporators include Harry Wylan, 11 Park Place.

**New York City**—American Chain of Shippers, Inc. Trucking and express. Capital, \$10,000. Incorporators include Robert Lande, 1133 Broadway.

### North Carolina

**High Point**—Carolina Transportation & Distributing Co. Motor freight and transfer service. Capital, \$100,000. Principal incorporator, Charles H. Fredrickson, 2006 Norton Road, Charlotte.

### Ohio

**Canton**—Stark Storage & Transfer Co. Capital, \$5,000. Incorporators, D. M. Richards, John E. Martin and Herman D. Emerman.

**Cincinnati**—Murray Hauling & Transfer Co. Capital, 100 shares of no par value stock. Incorporators, Vernon Brown, Ray Schuler and Edward J. Murphy.

**Cleveland**—Central Freightways, Inc. Capital, 300 shares of no par value stock. Incorporators, S. H. Ford, H. J. Martin, C. E. Reed and Seabury H. Ford.

**Cleveland**—Central States Forwarding Co. Capital, 250 shares of no par value stock. Incorporators, Thomas A. Jones, R. W. Needs and U. S. Needs.

**Dayton**—Thomas F. Larkins Warehouse & Cartage Co. Warehousing and haulage of merchandise and household goods. Capital, 250 shares of no par value stock. Incorporators, Thomas F. Larkins, manager of the Larkins Transfer & Storage Co.; Catherine C. Larkins and Virgin Schaeffer.

**Youngstown**—Friedman Transfer Co. Capital, \$5,000. Incorporators, David Friedman, Rose Friedman, Arel Friedman and Morris Mann.

### Oklahoma

**Oklahoma City**—Southwestern Motor Carriers, Inc. Motor freight and transfer. Capital not stated. Principal incorporator, L. C. Giles, Norman, Okla.

### Rhode Island

**Providence** — Southern New England Freight Traffic Service (organized). Transfer and trucking service. Cornelius E. McDonald, 216 Melrose Street, heads the company.

### Texas

**Greenville** — Burnett Crystal Ice Co. Cold storage warehouse and ice plant. Capital, \$60,000. G. L. Burnett and Dade Burnett head the interests.

**Houston**—Southwest Freight Co., Marine Bank Building. Motor freight. Capital not stated. Principal incorporator, T. R. Rogers.

**Port Aransas**—Harbor Island Transportation Co. Capital not stated. Incorporators, James A. Harley, Gail B. Munsill and W. A. Cannon.

**San Antonio**—American Bonded Warehouse Co. Storage warehouse. Capital not stated. Principal incorporator, L. P. Ruedrich, 719 St. James Street.

### Virginia

**Norfolk** — Auto Transit of Virginia, Inc. Motor freight and express. Capital, \$50,000. Incorporator, Robert G. Butcher, Mutual Building, Richmond.

### Washington

**Raymond** — Shingle Warehouse Co. Capital, \$12,000. Incorporators, G. A. Cohnman and Martin C. Welsh.

## Construction, Developments, Purchases, Etc.

### Alabama

**BIRMINGHAM**—Avon Transfer & Warehouse Co., which opened for business early in the summer, has discontinued operations.

**Mobile**—Bulk Transportation Co. has awarded a contract for a \$75,000 warehouse, 50 by 450 feet, one story high.

### Arizona

**Tucson**—John W. Murphy Building Co. has plans for a \$100,000 group of nine dry and cold storage warehouses.

### California

**Los Angeles**—Union Terminal Warehouse Co. has plans for one-story additions, 49 by 81 and 40 by 49 feet, at each end of its Terminal Way warehouse, the cost to run about \$20,000.

**Oakland**—Drayage Service Corporation is completing plans for a \$100,000 terminal and warehouse addition.

### Canada

**Halifax, N. S.**—Halifax Transfer Co., Ltd., has joined the Canadian Storage & Transfermen's Association.

**Regina, Sask.**—H. A. Knight has sold his interest in the Regina Cartage Co., Ltd., of which he was president and manager, to W. H. A. Hill, who is now president, and J. M. Lynch, who is manager.

**Regina, Sask.**—Peacock-Pounder, Ltd., has joined the Canadian Storage & Transfermen's Association.

### Connecticut

**New Britain**—Hardware City Storage Co. has arranged for increase in capital to \$125,000, from \$50,000, to finance construction.

**New Britain**—Southern New England Ice Co. is considering construction of an \$85,000 cold storage warehouse and ice plant on Corbin Place.

### Illinois

**Chicago**—Verschoore's Fireproof Storage Co. has filed notice of change in company name to Verschoore's Storage Warehouse, Inc., thus eliminating the term "fireproof storage."

**Rockford**—Bartlett Storage Warehouse announces plans for a three-story concrete addition, 66 by 71 feet, at Cedar and Court Streets, thus increasing the company's space to 50,000 square feet.

### Indiana

**Indianapolis**—Shark Fireproof Storage Co. has filed papers amending its articles of incorporation so as to eliminate the term "fireproofing storage." The firm's new name is Shark Fireproof Warehouse Co.

**South Bend**—Chicago, South Shore & South Bend Railroad Co. has approved plans for a \$350,000 project to include a warehouse and freight terminal.

**South Bend**—Grand Trunk Terminal Warehouse Co., a Delaware corporation,

(Concluded on page 56)

FOR  
**WAREHOUSES**

**LEWIS & LEONARD**  
**ARCHITECTS & ENGINEERS**  
51 EAST 42nd ST., NEW YORK CITY

**Sterling**  
**Motor Trucks**

Lead in Low Cost Transportation  
**STERLING MOTOR TRUCK CO.**  
MILWAUKEE, WISCONSIN

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*At the Port of New York*

Manufacturing, warehousing and distribution.  
Fireproof buildings with modern equipment and facilities.

These terminals command the metropolitan market of nine and one-half million population, and their arteries of transportation reach the trading centers of the world by rail and water.

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**BAYWAY TERMINAL**, Bayway, N. J.  
Executive Offices: 25 Church Street, New York



**Extraordinary  
Reduction  
in Rates**

No increase over  
Thanksgiving, Christ-  
mas and New Year's.

AS LOW AS

*Without Meals*  
**\$2.50 Daily per  
Person**  
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ly for 2**

*With Meals*  
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ly for 2**

**Take One of The Most  
Successful Firms You Know  
And Multiply By Three**

That will give you the approximate  
efficiency and importance of  
our new organization.

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**Chas H. Moores Co.**

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*Announce Their Merger with*

**Fletcher Thompson, Inc.** **Samuel M. Green Co.**  
Bridgeport, Conn. Springfield,  
Newark, N. J. Mass.

**New Headquarters**  
110 East 42nd St., N. Y. C.

This merger is of immediate value to warehousemen  
because it places at their disposal the resources of  
three great companies.

When you build that new warehouse—cold storage,  
merchandise, household goods or combination—or  
extend your present facilities, our work will give  
complete satisfaction—and meet your budget.

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NEW YORK N. Y.



**Construction,  
Developments,  
Purchases, Etc.***(Concluded from page 54)*

has filed notice of organization to operate in Indiana. John T. Spencer, South Bend, is company representative.

**South Bend**—National Storage Warehouse Co. has filed paper increasing its directors to four and increasing its capital stock to 150 shares of preferred stock having a par value of \$100 each.

**Terre Haute**—Terre Haute Distributing Terminals, Inc., has arranged for increase in capital to \$85,000.

**Iowa**

**Fort Madison**—Atchison, Topeka & Sante Fe Railway Co. has approved plans for a \$35,000 two-story warehouse and freight building.

**Louisiana**

**Lake Charles**—Pure Ice & Cold Storage Co. (Beaumont, Tex.) has plans for a \$40,000 one-story cold storage warehouse, 80 by 120 feet.

**New Orleans**—Chicago, Burlington & Quincy Railroad Co. has purchased property near the Industrial Canal as a site for warehouse and terminal buildings, etc.

**Michigan**

**Ishpeming**—Duluth, South Shore & Atlantic Railway Co. will build a \$25,000 1-story warehouse and freight building.

**Paw Paw**—Utility Ice Co. is building a cold storage warehouse on South Kalamazoo Street.

**Mississippi**

**Biloxi**—Biloxi Transfer & Storage Co. has enlarged its transfer department by purchasing the Jesse Smith garage building on Reynoir Street.

**Newton**—Southern United Ice Co. is planning construction of a \$25,000 cold storage warehouse and ice plant.

**Missouri**

**Kansas City**—City Ice Co. will spend \$50,000 extending and improving its cold storage warehouse and ice plant at 21st and Campbell Streets.

**St. Louis**—Driemeier Storage & Moving Co. has awarded a contract for a \$25,000 addition, two stories high, 26 by 100 feet, at 3817-3821 North Third Street.

**New Jersey**

**Newark**—General Storage & Warehouse Co., organized in 1926, has discontinued business.

**New York**

**Brooklyn**—Paramount Ice Co. will build a \$70,000 cold storage warehouse and ice plant at Steuben Street and Myrtle Avenue.

**Brooklyn**—Peter F. Reilly's Sons will erect a \$170,000 nine-story warehouse, 60 by 100 feet, at Bergen Street and Sixth Avenue.

**New York City**—Claremont Express & Moving Vans, Inc., has leased ground floor space in building at 67 Burnside

Avenue for district distribution and loading service.

**New York City**—Kent-Costikyan Service & Warehouse Co. has arranged for increase in capital to \$50,000, from \$6,000.

**New York City**—Mercantile Warehouse Corporation has leased the warehouse at Greenwich and Beach Streets and will occupy for expansion.

**New York City**—United States Trucking Corporation has purchased the three-story building at 671 Water Street.

**New York City**—Utility Warehouse Co., Inc., has filed notice of company dissolution under State laws.

**Utica**—Covillda Warehouse Corporation has filed notice of company dissolution under State laws.

**Yonkers**—McCann's Fireproof Storage Warehouse Co., Inc., is planning erection of a \$200,000 seven-story warehouse on School Street.

**Ohio**

**Cleveland**—Neal Fireproof Storage Co. has changed its name to Neal Storage Co., eliminating the word "fireproof."

**Cleveland**—New York, Chicago & St. Louis Railroad Co. has plans for a \$240,000 one-story and two-story warehouse at Lakeside Avenue and East 40th Street.

**Cleveland**—Pyramid Storage & Moving Co. has added 4000 square feet to its warehouse at 9324 Sandusky Avenue.

**Oklahoma**

**Westville**—Kansas City Southern Railway Co. is constructing a \$35,000 warehouse and freight building.

**Oregon**

**Portland**—Security Warehouse & Storage Co. will spend \$20,000 remodeling and improving its building at Fourth and Charnelton Streets.

**Pennsylvania**

**Harrisburg**—Harrisburg Storage Co. has filed plans for an addition, 25 by 50 feet, and a loading platform 10 by 75 feet.

**McKeesport**—Baltimore & Ohio Railroad Co. will rebuild its warehouse and freight building recently wrecked by fire with an estimated loss of \$35,000.

**Monaca**—Pittsburgh & Lake Erie Railroad Co. has approved plans for a \$400,000 river and rail terminal on site recently acquired from the Colonial Steel Co.

**Tennessee**

**Martin**—Red Ball Transfer Co. has erected a fireproof truck terminal, 40 by 50 feet, at Elm and George Streets.

**Memphis**—Abbott-Smith Storage & Van Co., formerly engaged in moving only, has taken over under lease the 4-story building at 76 West Virginia Avenue and will conduct a warehouse business.

**Texas**

**Amarillo**—Armstrong Transfer & Storage Co. has purchased the Lubbock

**U. S. Supreme Court  
Declines to Review  
a Lake Storage Case**

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

THE Supreme Court of the United States has refused to take a hand in a dispute involving the storage of a cargo on board a lake steamship while the vessel was tied up for the winter. The petition of the Pillsbury Flour Mills Co. for a writ of review was denied.

The flour company sued the Interlake Steamship Co., No. 170, alleging that it was the practice of shippers, at the close of each shipping season on the Great Lakes, to enter into contracts with transportation companies that covered not only the carrying of the cargo but its storage on the vessel until the opening of the shipping season the following spring. From the present petition it was gathered that a damage to the flour company's cargo was found when it was unloaded in the spring, the inference being that it occurred while the cargo was stored on the steamship during the winter.

The case was taken to the Supreme Court after the Circuit Court of Appeals for the Second Circuit held that in the admiralty law no recovery for damage done to over-winter storage was recognized.

—R. C. M.

**"DSInc" in  
New Office**

Announcement is made in New York that Distribution Service, Inc., has removed its office from 100 Broad Street to 130 West 42nd Street, the latter being the Bush Terminal Building in the Times Square section.

Bonded Warehouse, Lubbock, Texas.

**Annona**—J. J. Puckett and associates are planning to build a public bonded warehouse.

**Austin**—Independent Warehouses, Inc., a New York City organization, has filed notice of intention to operate in Texas with a capital of \$183,250, with headquarters in Austin.

**Dublin**—Burke & Sons Transfer & Storage Co. has joined the Texas Warehouse & Transfermen's Association.

**Harlingen**—Grant Storage-Transfer Co. has joined the Texas Warehouse & Transfermen's Association.

**Harlingen**—Missouri Pacific Railroad is completing an \$18,000 warehouse, 84 by 200 feet.

**Virginia**

**Norfolk**—Norfolk & Western Railway Co. will spend \$250,000 on additions, to add 160,000 square feet of floor space, to its warehouses D and F.

**Wisconsin**

**Superior**—Superior & Duluth Transfer Co. has joined the merchandise division of the American Warehousemen's Association.

## This Month's Features in News and Articles

### Advertising

THE RESULTS thus far from the American Warehousemen's Association's national campaign, and how storage executives may capitalize on the developments, are told by H. A. Haring in No. 69 of his "Distribution" series. Turn to page 9.

### Congress Meets

WHAT'S AHEAD for warehousing as the national law-makers reconvene is forecast in Stephens Rippey's Washington correspondence beginning on page 50. Motor regulation, the warehouse Act, free zones, express highways, rail terminals and the metric system are among the problems to be considered.

### Developing New Business

LOCAL PUBLICITY which is beneficial to a warehouseman's organization can be obtained through the right methods. H. A. Haring makes some suggestions on page 25.

### Display of Facilities

IN HOUSEHOLD GOODS warehousing it should begin at the lobby, says Willis Parker, who—page 36—cites as an example the depository of the Wilshire Fireproof Storage Co., Los Angeles.

### Docket 12681

ALLEGED REBATING by railroads to the detriment of warehousing will be argued before the Interstate Commerce Commission, which has granted the storage industry's new petition under which will be tested the legality of the carriers' tariffs held not to be commensurate with costs of service. Read Stephens Rippey's Washington correspondence on page 14.

### "Forward March"

WHAT POLITICIANS cannot do, the business press can and will. Business America will need business leadership to bring business normalcy in 1931, and a group of leading business magazines—*Distribution and Warehousing* included—has organized to lead the way. Industries which cooperate will profit. Details on page 32.

### I. C. C. Truck Inquiry

THIS INVESTIGATION is under way. The first public hearing was held in St. Louis on Nov. 17—see page 39. Meanwhile the extent of the investment by railroads in trucking has been made public at Washington—turn to page 40.

### Idle Time

KEEPING LABOR doing things during spare moments is one of the warehouse operator's problems. Murray C. French tells—page 21—how B. F. Hough, Denver storage executive, solves it.

### "It Is to Laugh"

GENERAL ASHBURN, head of the Government's Inland Waterways Corporation, so exclaims when discussing, before the Mississippi Valley Association, warehousing's "free storage" charges against the Federal Barge Lines. See page 16.

### Legal Knots

LEO T. PARKER, an attorney, unties them on request for warehouseman and traffic manager. Borrow on his knowledge and experience. This authority also reviews the latest Court decisions of importance to the industry. Turn to page 27.

### Liability

THE WAREHOUSEMAN'S responsibility for damage to merchandise, as shown by statutes and Court decisions, is summarized by Leo T. Parker in the thirty-fifth of his series of legal articles. Turn to page 22.

### Maloney Goes to Washington

THE NEW Congress will have a warehouseman seated—Paul H. Maloney, a New Orleans storage executive, was chosen in November. In an interview with R. A. Sullivan—page 19—the Representative-elect urges the industry to take a more active part in politics.

### Occupancy and Tonnage

A SLIGHT DECLINE in the average occupancy of merchandise storage space was reported on Sept. 30 as compared with Aug. 31, according to Government figures made public on Nov. 29. Turn to page 30.

### Truck Transportation

A FACT-FINDING survey has been begun by the Department of Commerce and the Department of Agriculture, and the Government will publish data about costs, mileage, routes, service, etc. Every motor vehicle operator will be interested in the results of this inquiry. Stephens Rippey gives the background in Washington correspondence beginning on page 18.

### When Winter Comes

WILL TRUCK ECONOMY run far behind? Philip L. Sniffin, advisory engineer, asks—and answers in detail—this question, beginning on page 37. Here are some timely suggestions of value to motor vehicle operators—something they should call to the attention of garage employees and drivers.

### With the Associations

NEWS FROM California, Illinois, Indiana, Michigan, Missouri, New York, Ohio, Pennsylvania, Texas and Washington, D. C. Keep up with the industry's tide. Pages 43-49.

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Directory of Warehouses . . . Pages 77 to 155  
Directory of Motor Freight Lines Pages 156 to 158  
Where to Buy Department . . . Pages 63 to 76

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# DON'T MISS THE BIGGEST

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They have cut down tire costs. They have stepped up truck speeds. They have reduced maintenance bills. They have increased safety. They have made tire delays almost unknown.

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